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REPORT
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RURAL DEVELOPMENT, AGRICULTURE, AND RELATED AGENCIES APPROPRIATIONS BILL, 1991

JULY 13, 1990.--Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. WHITTEN, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H.R. 5268]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for Rural Development, Agriculture, and Related Agencies for fiscal year 1991. The bill is below the budget request and within the 302(b) allocation.

SCOPE OF BILL

The valuable and essential programs funded in this bill are of benefit to all segments of the American economy, both rural and urban, since agriculture is the backbone of our economy.

The bill includes funds for all agencies of the U.S. Department of Agriculture, except the Forest Service, which is funded in another bill. It also includes funds for certain related agencies such as the Food and Drug Administration and the Commodity Futures Trading Commission. In addition, it establishes limitations on funds for the Farm Credit Administration and the Farm Credit System Assistance Board.

Title I of the bill provides funds for the Department's agricultural programs, including production and processing, research, extension, animal and plant health, food safety and marketing services. It also funds farm income stabilization (price supports), crop insurance and farm export programs.

Title II includes funds for the rural development assistance programs of the Department, including the loan programs of the Farmers Home Administration and the Rural Electrification Administration, and the activities of the Soil Conservation and Agricultural Stabilization and Conservation Services.

H183-10

Title III provides funds for the Department's domestic food programs, including child nutrition, special milk, food stamps, food donations, emergency food assistance aid to the elderly and human nutrition information. It should be noted that over one-half of all the funds in this bill are for these non-farm programs.

Title IV provides funding for the Department's international programs, including the Foreign Agricultural Service, Public Law 480 and the Office of International Cooperation and Development.

Title V provides appropriations and establishes limitations for various related agencies.

Agriculture—Our Greatest Asset

This Nation's agricultural establishment is its greatest asset—one which provides a significant advantage over the rest of the world in the production of abundant quantities of high quality food and fiber for domestic and world markets. American agriculture is the envy of the world and often is described as the "8th Wonder of the World!"

Agriculture is our largest industry, larger than the auto, steel and housing industries combined. It is our largest employer, our largest market for the products of industry and labor, and our biggest dollar earner in world trade.

Agriculture is the foundation of our Nation's entire economy. Our total wealth comes primarily from raw materials—which, in turn, come from the earth. It has been reliably estimated that each dollar of wealth taken from the earth expands seven times as it travels through the economy.

Agriculture being short-changed

Yet, despite its great value to the Nation, American agriculture is not receiving adequate support and encouragement from our government. The Department of Agriculture is not using the Commodity Credit Corporation and other farm programs, as authorized by law, to stimulate production, regain our normal share of world markets, and enable the producer to receive a fair price from the purchaser of his products rather than having to depend on a check from the U.S. Treasury.

Any price increase received by the farmer as the result of a fair price requirement would have only a small impact on consumer prices. A 60-cent loaf of bread contains only 5 cents worth of wheat. A $16.00 cotton shirt has only 43 cents worth of cotton. If prices received by the farmer were increased by 10 percent, it would add only a penny or two to the consumer price of these items—if only that amount was passed on. Of course, under our system, the retailer can charge what the traffic will bear.

For 48 years, farm prices were maintained at a level sufficient to offset costs and our surpluses were sold in world trade at competitive prices. Unfortunately, these sound policies were abandoned during the past decade and the farmers are now being paid not to produce and the National economy has suffered as the National debt has increased to more than $3 trillion.

The PIK (Payment-in-Kind) program adopted in 1983 cost this country over $12 billion, cut domestic production and exports by 11

percent, and increased foreign production by an equivalent amount. In recent years the failure of CCC to sell abroad competitively and instead finance private groups who get the profit, has reduced our exports and encouraged foreign competitors to take over our markets abroad. The Department's failure to use section 32 (30 percent of customs receipts) to promote exports and support the price of perishables has helped to move U.S. acreage overseas. Embargoes on farm exports have hurt the American farmers rather than those countries targeted for reprisals for international political reasons.

Failure to sell our excess agricultural supplies in world markets competitively not only hurts our farmers but also denies hungry people in food-deficient countries the food they so desperately need to stay alive. It is estimated that one-fourth of the people throughout the world suffer from malnutrition and some 10,000 die of starvation every day. Committee investigations indicate that we have provided vast military supplies to some 125 countries of the world while what their people really need is food!

As a result of these faulty policies, about 12 percent of our farmers (over 300,000) have gone broke and left the farm. More than 70 million acres of productive farmland are out of production. The total cost of the farm program over its 48-year history prior to 1981 was $72.5 billion. Since then, in only nine years, it has doubled to about $140 billion.

Existing law enables the Department of Agriculture to reinstate the farm programs which were so beneficial to the Nation for so many years. This authority again should be used for the benefit of agriculture and the entire U.S. economy.

THE NATION'S FINANCIAL CRISIS

Largely as a result of national policy, the Nation continues to face the most severe financial crisis in its history. Today it has a Federal debt of over $3,000,000,000,000 (three trillion dollars), the largest debt ever owed by this or any other nation. Over $2 trillion of this has been incurred in the past ten years and it continues to grow. Interest on that debt in fiscal year 1990 is $180 billion and for fiscal year 1991 it is projected to be $185 billion. This comes off the top of our economy and approximates our annual Federal budget deficit.

Appropriation bills did not cause this situation, since in total they have been $173 billion below the total of budget requests since 1945. This huge budget deficit is the result of a number of factors, including:

(1) A loss of Federal revenue each year, ranging from $142.6 billion in 1988 to $195.3 billion in 1990, due to the Economic Recovery Tax Act of 1981 with total revenue lost in excess of $2 trillion;

(2) A reduction in exports and "open door" import policies resulting in a growing increase in our trade deficit from a surplus of $19.3 billion in 1980 to $108.6 billion in the red in 1989. Since 1986, we have become a debtor nation;

(3) Entitlements and binding contracts of the Federal Government (which are not discretionary), which have increased by five times since enactment of the Budget Act in 1974; and

(4) The failure of the Department of Agriculture to use the authority of the Commodity Credit Corporation to retain agricultural production and to sell our commodities overseas at competitive prices, as do other countries.

These huge annual Federal budget deficits have been financed by paying with borrowed money (much of it from abroad), by selling our Federal assets (a short-range, one-time source of funds) and by inflating the dollar at the expense of the entire economy of the Nation.

DISCRETIONARY VERSUS NON-DISCRETIONARY SPENDING

In 1974, when the present Budget Act was passed, non-defense discretionary outlays were 24 percent of the budget. The amount of non-defense discretionary funds in the current budget has been reduced to 15 percent, a reduction of 37.5 percent since 1974.

This has resulted in large reductions in programs for education, health, roads and bridges, housing, water systems, harbors, and agricultural programs essential to the development and protection of our Nation. This year's budget proposal to cut over 80 existing essential domestic programs worth $13 billion is considered to be unsound.

In the opinion of the majority of this Committee, discretionary programs should be continued at the level supported by 1990 appropriations. New programs proposed for the next year should not be funded at the expense of important ongoing programs.

PROPOSED REDUCTIONS IN AGRICULTURAL PROGRAMS

An example of the unfortunate effects of proposed reductions in discretionary domestic programs is the proposed cuts in the fiscal year 1991 budget for the Department of Agriculture:

[In millions of dollars]

Program Eliminations:	
Emergency Conservation Program	−10
Rural Development Grants	−16
Rural Community Fire Protection	−3
Mutual and Self-Help Housing	−9
Conservation Loans	−22
Rural Telephone Loans	−239
Guaranteed Electric & Telephone Loans	−933
Capitalization of Rural Telephone Bank	−29
Rural Electrification Reimbursements	−244
Rural Economic Development	−5
Research and Extension Programs	−26
Program Reductions:	
Conservation Programs	−38
Rural Housing Direct Loans	−883
Rental Assistance	−42
Very Low-Income Housing Repair Grants	−3
Rural Preservation Grants	−4
Water and Sewer Grants	−80
Community Facility Loans	−24
Rural Water and Waste Disposal Grants	−109
Electrification Direct Loans	−422
Rural Telephone Bank	−52
Farm Ownership Loans	−394

Farm Insured Operating Loans	−400
Foreign Assistance (P.L. 480)	−81
Agricultural Extension (EFNEP)	−37
Agricultural Research	−40
Animal and Plant Health Programs	−5
Food and Drug Administration	−157
Animal and Plant Health Inspection Service	−79
Nutrition Assistance—Puerto Rico	−112

INVESTMENT SPENDING ESSENTIAL

A distinction must be made between investment spending, where the benefits will exist for years, and other current spending, the benefits of which, while important, are temporary. We must recognize that investment spending lasts for years to come and the future of our Nation depends on this type of spending.

We must continue investing in our country. Since 1934, when we started meeting regional problems with national programs, our real wealth has increased 41 times and since 1940 it has increased 36 times.

We must hold down waste, but we can never handle a $3 trillion debt except by producing more than we need and selling it in world trade for what it will bring. Also, we must limit the level of imports, using authority in existing law, to create a favorable trade balance with other nations.

With the opening up of Eastern European countries, there will be intense competition for their markets. This country must be in a position for our agriculture, manufacturing, mining and other basic industries to take advantage of these opportunities.

We must produce more than we need and sell in world trade at competitive prices, as authorized by law, that which we produce in excess of our needs. That is what our competitor countries do. We need to give our producers the same support other nations give to theirs by investing in the future of our producers, both industrial and agricultural.

PRODUCTIVE EMPLOYMENT NECESSARY

To ensure our continuation as a great Nation with a strong economy, we must continue to invest in our Nation's resources, our real wealth, to assure productive employment in the development of our rivers and harbors; the construction of schools, roads, bridges and airports; and the production of adequate food and nutrition from a strong agricultural base.

At a time when the President has proposed a 120,000 troop reduction, at a time when domestic employment cutbacks are being made, at a time when more and more American businesses are moving abroad and sending their products back to the United States under our "open door" import policies, more and more of our people are facing unemployment in every part of the country.

We must be prepared to provide funds for the construction of roads and bridges and other public facilities and to restore revenue sharing, which we had for 14 years, to aid more than 39,000 units of government, to keep our economy going and to avoid a recession. This would be similar to what we did with the "jobs bill" back in 1983.

DECLINE IN FARM ECONOMY

American agriculture and rural areas, which include about 84 percent of our country, have suffered the greatest decline in history. The effect is nationwide since agriculture is our largest industry, larger than the auto, steel and housing industries combined.

Since 1980, according to USDA figures, about 400,000 rural people have left rural America each year. According to the Congressional Research Service, over 300,000 farmers, about 12 percent, have been forced off their farms.

As the land was foreclosed, the Farmers Home Administration prevented the farms from being taken over by relatives, and thousands of farms were sold that had been in the same family for generations. Instead, they were sold to insurance companies and large corporate farmers who got first pick at the best land.

Since 1981 our agricultural exports have declined from $43.8 billion to a low of $26.2 billion in 1986 and back to $40.0 billion in 1990. Adjusted for inflation, however, they are still only one-half the pre-1981 level. Under the Department's programs, the profit has gone to the exporter but the cost is charged to the farmer.

DISCRIMINATION AGAINST FARMERS

Through the years the farmer has been discriminated against by his government. During World War II the government asked the farmer to plant fence-to-fence to help with the war effort. When the war was over, the government gave $20 billion to industry to help it adjust back to more normal conditions, but it did nothing to help the farmer.

Also during World War II we placed an embargo on exports, except at government fixed prices. Cotton was sold to Spain for 64 cents. They, in turn, could resell it for 96 cents.

In 1980 President Carter placed an embargo on sales to Russia because of her invasion of Afghanistan. The embargo didn't hurt Russia. We just transferred our farmers' markets to our competitors. In 1981, we turned our surplus butter over to New Zealand so they could sell it to Russia at 50 cents a pound profit.

Under the PIK program in 1983, which cost over $12 billion, our domestic production was reduced by 11 percent, our exports were reduced by 11 percent, and our competitors overseas increased their production and sales by that 11 percent.

We now have more than 70 million acres of land out of production and idle, either through foreclosure or government efforts to create shortages and, thereby, prop up prices.

When Congress passed legislation in 1977 to provide farmers some debt relief, the Department ignored it. When Congress passed legislation requiring it, the Department delayed implementing the law for one year and then required the farmer to complete all the paperwork in 45 days.

The policy of the last nine years has wrecked the economy of rural America, as shown by the proposed "Rural Development Initiative", which would fund rural development programs at a much lower level than Congress provided last year.

Many books have been written about the Great Depression, yet no one has ever been able to adequately explain why it lasted ten

years. Recovery came only when we started at the ground level and restored purchasing power to agriculture.

CCC was set up so we could compete in world trade. Our competitors often deal on a government-to-government basis. Under our system we had no means to compete on equal footing so we set up CCC. For the last decade USDA has refused to use CCC and, instead, has given the profits to corporations rather than the farmer.

Instead of using CCC, we have paid large international corporations, many foreign-owned, $2.9 billion in incentives during the last four years alone to move our commodities in world trade. Instead of using CCC, we have paid U.S. corporations $730 million in the last five years to promote their products. These costs are all charged to the farmer and the farm program because our government refuses to use CCC and section 32, which were set up to promote our exports.

Existing law enables the government to reinstate the farm programs which operated successfully for 48 years—a program where a fair price was received from the purchaser, both at home and abroad, where we kept our price competitive. During those 48 years farmers were, to a degree, kept in balance with industry and labor who are able to pass their increased costs on to the purchaser of their product.

Prior to 1981, the total cost of the farm program over its 48-year history was $72.5 billion. In the past nine years alone, it has cost almost $140 billion—nearly double.

FARM SUBSIDIES, A MISNOMER

Only the farmer is tagged with "subsidy." Labor has minimum wages and the bargaining power of labor unions, the cost of which is passed on to the consumer. Industry adds its markup which also is passed on to the consumer.

Formerly, on basic commodities, agriculture was protected by a requirement that Commodity Credit Corporation stocks could be sold only for 110 percent of parity on the domestic market, while selling abroad competitively as other countries do. For the past ten years, however, that authority has not been used, though it is still authorized, and the farmer's parity protection has disappeared.

Also, in 1981 agricultural policy was redirected from one of moving our surplus production in world markets at competitive prices to one of requiring the farmer to get his income through a check from the Federal Treasury.

What has happened to the farmer is now happening to the Nation. We are selling off our assets and increasing our debt to keep up an appearance of economic well-being. We are rapidly substituting service jobs for productive jobs. With a debt of $3 trillion, we are about to get in the position of being able to do only what our creditors will let us do.

TITLE I—AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING AND MARKETING

OFFICE OF THE SECRETARY

1990 appropriation	[1] $1,766,000
1991 budget estimate	1,943,000
Provided in the bill	1,943,000
Comparison:	
1990 appropriation	+177,000
1991 budget estimate	

[1] Reflects sequester of $33,000 pursuant to P.L. 99-177. Does not include $790,000 appropriated for two special studies.

The Secretary of Agriculture, assisted by the Deputy Secretary, Under Secretaries and Assistant Secretaries, and members of their immediate staffs, directs and coordinates the work of the Department. This includes developing policy, maintaining relationships with agricultural organizations and others in the development of farm programs, and maintaining liaison with the Executive Office of the President and Members of Congress on all matters pertaining to agricultural policy.

The general authority of the Secretary to supervise and control the work of the Department is contained in the Organic Act (7 U.S.C. 2201-2202). The delegation of regulatory functions to Department employees and authorization of appropriations to carry out these functions is contained in 7 U.S.C. 450c-450g.

COMMITTEE PROVISIONS

For the Office of the Secretary the Committee provides an appropriation of $1,943,000, an increase of $177,000 above the amount available for fiscal year 1990 and the same as the budget request. The Committee again rejects the proposal to fund the Deputy and all Under and Assistant Secretary offices of the Department within the Office of the Secretary. Other than transfers specifically provided for in this Act, none of the funds in this Act should be transferred between accounts without written notice to the Committee.

OFFICE OF THE DEPUTY SECRETARY

1990 appropriation	[1] $392,000
1991 budget estimate	[2] 477,000
Provided in the bill	477,000
Comparison:	
1990 appropriation	+85,000
1991 budget estimate	

[1] Reflects sequester of $5,000 pursuant to P.L. 99-177.
[2] The 1991 budget proposed that this activity be funded in a single account under the Office of the Secretary.

COMMITTEE PROVISIONS

For the Office of the Deputy Secretary the Committee provides an appropriation of $477,000, an increase of $85,000 above the amount available for fiscal year 1990 and the same as the budget request.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

1990 appropriation	[1] $4,522,000
1991 budget estimate	4,971,000
Provided in the bill	4,971,000
Comparison:	
1990 appropriation	+449,000
1991 budget estimate	

[1] Reflects sequester of $32,000 pursuant to P.L. 99-177.

This activity provides direction and administration of the Department's budgetary functions including development, presentation and execution of the budget; reviews program and legislation proposals for program, budget and related implications; analyzes program and resource issues and alternatives, and prepares summaries of pertinent data to aid the Secretary and departmental policy officials and agency program managers in the decision-making process; and provides Department-wide coordination for and participation in the presentation of budget related matters to the Committees of the Congress, the press and interested public. The Office also provides Department-wide coordination of the preparation and processing of legislative programs and reports, and develops and maintains a mission-oriented program structure which defines Department missions, goals and objectives for the purpose of establishing long- and short-range program planning.

COMMITTEE PROVISIONS

For the Office of Budget and Program Analysis the Committee provides an appropriation of $4,971,000, an increase of $449,000 above the amount available for fiscal year 1990 and the same as the budget request.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

1990 appropriation	[1] $464,000
1991 budget estimate	[2] 544,000
Provided in the bill	544,000
Comparison:	
1990 appropriation	+80,000
1991 budget estimate	

[1] Reflects sequester of $6,000 pursuant to P.L. 99-177.
[2] The 1991 budget proposed that this activity be funded in a single account under the Office of the Secretary.

The Office of the Assistant Secretary for Administration directs and coordinates the work of the departmental staff in carrying out the laws enacted by the Congress relating to accounting functions, real and personal property management, automated data processing, personnel management, development and dissemination of Departmental Information Resources Management and other general administrative functions. In addition, the Office of the Assistant Secretary for Administration is responsible for all activities fi-

nanced under the Department's Working Capital Fund (7 U.S.C. 2235).

COMMITTEE PROVISIONS

For the Office of the Assistant Secretary for Administration the Committee provides an appropriation of $544,000, an increase of $80,000 above the amount available for fiscal year 1990 and the same as the budget request.

Much criticism has been made to the Committee about the operations of the Administration Department. A study of this is being made but not yet completed.

RENTAL PAYMENTS (USDA)

1990 appropriation	$49,307,000
1991 budget estimate	49,305,000
Provided in the bill	49,305,000
Comparison:	
1990 appropriation	−2,000
1991 budget estimate	

[1] Reflects sequester of $160,000 pursuant to P.L. 99-177.

Annual appropriations are made to agencies of the Federal Government so that they can pay the General Services Administration fees for rental of space and for related services.

The budget estimates for rental payments are based on GSA's projection of what it will bill agencies in the budget year. The agencies have no influence or control over how GSA sets their rates. Rental payments paid by agencies go into a fund to be used for other real property management operations, such as rental of buildings, repairs and alterations, and acquisition of new facilities. The concept behind rental payments is that all agencies pay the market value of the space they occupy, so that GSA will have the funds available to provide, in an efficient and coordinated way, for overall Federal space needs. However, in practice this concept means that agencies are paying prevailing commercial rental rates in order to subsidize the inflated cost of new construction and newly leased space, and to cover the cost of vacant space in GSA's inventory.

COMMITTEE PROVISIONS

For rental payments (USDA) the Committee provides an appropriation of $49,305,000, a decrease of $2,000 below the amount available for fiscal year 1990 and the same as the budget request. For leases transferred from GSA, $270,000 of the fiscal year 1990 appropriation was transferred to other agencies.

The Committee again includes language permitting the Secretary of Agriculture to transfer a share of this appropriation to or from another agency's appropriation. The Committee will expect that such a transfer will be proposed only when a move into GSA rental space becomes necessary during the year or when GSA space is vacated in favor of commercial space. This flexibility is provided to allow for incremental changes in the amount of GSA space and is not intended merely to finance changes in GSA billing.

BUILDING OPERATIONS AND MAINTENANCE

1990 appropriation	$22,990,000
1991 budget estimate	25,093,000
Provided in the bill	25,093,000
Comparison:	
1990 appropriation	+2,103,000
1991 budget estimate	

[1] Reflects sequester of $43,000 pursuant to P.L. 99-177.

As of October 1, 1984, GSA delegated authority to USDA for operation, maintenance, repair and minor improvements of the USDA downtown D.C. building complex, which encompasses 14.1 acres of ground and five buildings containing three million square feet of space occupied by over 10,000 employees. This activity provides departmental staff and support services to operate, maintain and repair the five buildings in the D.C. complex. On October 1, 1986, GSA expanded the delegation of authority to include two additional buildings. One is the government-owned warehouse for forms in Lanham, Maryland, and the other is a leased warehouse for the excess property operation located at 49 L Street, S.W., Washington, D.C. GSA retains responsibility for major nonrecurring repairs.

COMMITTEE PROVISIONS

For building operations and maintenance the Committee provides an appropriation of $25,093,000, an increase of $2,103,000 above the amount available for fiscal year 1990 and the same as the budget request. Again this year the Committee continues to provide separate appropriations for building operations and maintenance of the D.C. complex in order to provide better accounting of expenditures.

ADVISORY COMMITTEES

1990 appropriation	$1,494,000
1991 budget estimate	1,407,000
Provided in the bill	1,407,000
Comparison:	
1990 appropriation	−87,000
1991 budget estimate	

The Department of Agriculture utilizes advisory committees to obtain expertise which is not feasible to maintain on the permanent staff. Because of the broad range of missions performed by the Department and the complexity of skills needed in this performance from time to time, it is essential to call upon experts in academia and the private sector to supplement the expertise of departmental employees in order to assure that decisions on major national issues are based upon state-of-the-art information.

The following table displays advisory committees which are anticipated to exist in fiscal year 1991. The Department plans to continue basically the same committees in fiscal year 1991 except for the National Plant Genetic Resources Board, Swine Health Protection and USDA International Trade Activities.

ADVISORY COMMITTEES (EXCLUDING FOREST SERVICE)

Policy area and committee title	1991 estimated	
	Membership	Funds
Food and Consumer Services:		
National Advisory Council on Maternal, Infant and Fetal Nutrition	23	$39,883
National Advisory Council on Commodity Distribution	17	81,428
Dietary Guidelines Advisory Committee	9	71,911
Total	49	$193,222
Science and Education:		
National Agricultural Research and Extension Users Advisory Board	25	$215,200
National Arboretum Advisory Council	16	13,654
Human Nutrition Board of Scientific Counselors	13	18,593
Policy Advisory Committee for the S&E Research Grants Program	17	20,800
Animal Health Science Research Advisory Board	12	20,400
Cooperative Forestry Research Advisory Council	16	31,700
Committee of Nine	9	39,300
Agricultural Biotechnology Research Advisory Committee	13	222,940
Total	121	$582,587
Marketing and Inspection Services:		
Federal Grain Inspection Service Advisory Committee	17	$65,586
National Advisory Committee on Meat and Poultry Inspection	11	26,003
National Advisory Committee on Microbiological Quality Standards for Food	26	50,252
Advisory Committee on Foreign Animal and Poultry Diseases	22	26,503
National Advisory Committee on Cotton Marketing	17	33,300
General Conf. Committee of the National Poultry Improvement Plan	10	7,968
National Advisory Committee on Animal Damage Control	23	38,950
Scrappie Negotiated Rulemaking Advisory Committee	25	45,220
Total	151	$293,782
International Affairs and Commodity Programs:		
Agricultural Policy Advisory Committee for Trade	22	$15,538
Technical Advisory Committee for Trade in:		
Cotton	9	14,465
Fruits and Vegetables	14	14,465
Grain and Feed	8	15,538
Livestock and Livestock Products	7	15,538
Oilseed and Products	8	14,465
Poultry and Eggs	14	14,465
Tobacco	5	14,465
Dairy Products	10	14,465
Sweeteners	7	14,465
Processed Food	3	14,465
Agribusiness Promotion Council	30	25,719
Total	137	$188,053
Small Community and Rural Development:		
Nat'l. Comm. on Agriculture and Rural Development	14	$25,000
Federal Crop Insurance Advisory Committee	25	10,000
Total	39	$35,000
Economics: National Agricultural Cost of Production Standards Review Board	11	$31,900
Departmental Administration:		
Citizen's Advisory Committee on Equal Employment	21	$75,212
New Requirements and Contingencies		7,244
Total, advisory committees	529	$1,407,000

COMMITTEE PROVISIONS

For advisory committees for the Department of Agriculture the Committee provides an appropriation of $1,407,000, a decrease of $87,000 below the amount available for fiscal year 1990 and the same as the budget request.

HAZARDOUS WASTE MANAGEMENT

1990 appropriation	[1] $19,927,000
1991 budget estimate	29,586,000
Provided in the bill	24,757,000
Comparison:	
1990 appropriation	+4,830,000
1991 budget estimate	−4,829,000

[1] Reflects sequester of $73,000 pursuant to P.L. 99-177.

Under the Comprehensive Environmental Response, Compensation, and Liability Act and the Resource Conservation and Recovery Act, the Department has the responsibility to meet the same standards regarding the storage and disposition of hazardous waste as private businesses. The Department is required to contain, clean up, monitor, and inspect for hazardous waste in areas covered by the Department or within departmental jurisdiction.

COMMITTEE PROVISIONS

For hazardous waste management the Committee provides an appropriation of $24,757,000, an increase of $4,830,000 above the amount available for fiscal year 1990 and a decrease of $4,829,000 below the budget request. Hazardous waste management is a relatively new program for the Department. Funding allows the Department to comply with the requirements of the Comprehensive Environmental Response, Compensation, and Liability Act (Super Fund) and the Resource Conservation and Recovery Act. The Committee expects these funds to be used for the highest priority projects that pose the greatest risk. The Committee also expects that minor work be absorbed within agency budgets.

DEPARTMENTAL ADMINISTRATION

1990 appropriation	$22,022,000
1991 budget estimate	23,355,000
Provided in the bill	23,052,000
Comparison:	
1990 appropriation	+1,030,000
1991 budget estimate	−303,000

This appropriation provides funding for the following activities:

Personnel.—This activity covers general direction, leadership and coordination of the personnel management program of the Department, implementation of civil service reform provisions, issuance of departmental policies and procedures, and coordination of a review program to evaluate the effectiveness of agency personnel programs.

Finance and Management.—This activity provides departmental leadership, development and evaluation of programs in finance, accounting, Federal assistance, occupational safety and health, and productivity and management improvements. The director serves

as the Department's finance officer, management improvement officer, and comptroller of the Working Capital Fund. Finance and management also provides budget, accounting and fiscal services for departmental staff offices and the Office of the Secretary.

Operations.—This activity provides staff and support services in the management of real and personal property, procurement, contracts, supplies, motor vehicles and internal energy conservation.

Information Resources Management.—This activity designs, implements and revises systems, processes, work methods and techniques to improve the management of information resources and the operational effectiveness of USDA. This activity also provides telecommunications and ADP services to USDA agencies and staff offices, including the Washington Computer Center, Fort Collins Computer Center, and the Kansas City Computer Center.

Advocacy and Enterprise.—This activity provides leadership and coordination for the Department's programs for Equal Opportunity and Civil Rights; implementation and administration of sections 8 and 15 of the Small Business Act; direction of departmental efforts to further the participation of minority colleges and universities in USDA programs; and direction and monitoring of compliance in promoting full and open competition in procurement.

Administrative Law Judges and Judicial Officer.—The Administrative Law Judges hold rule-making and adjudicatory hearings and issue initial decisions and orders, and the Judicial Officer serves as final deciding officer in regulatory proceedings.

National Communications System.—This activity provides funding for USDA's proportional share of the communications system being developed as part of the National Security and Emergency Preparedness Program. Participation in the NCS is required under National Security Directive 201 of December 1985.

COMMITTEE PROVISIONS

For Departmental Administration the Committee provides an appropriation of $23,052,000, an increase of $1,030,000 above the amount available for fiscal year 1990 and a decrease of $303,000 below the budget request.

WORKING CAPITAL FUND

1990 appropriation	
1991 budget estimate	$3,750,000
Provided in the bill	3,750,000
Comparison:	
1990 appropriation	+3,750,000
1991 budget estimate	

The Working Capital Fund was established by an appropriation in the 1944 Appropriations Act. It was created for central duplication, photographic, and tabulating services; a central motor transport service for the maintenance, repair and operation of motor transport vehicles and other equipment; and a central supply service for the purchase, storage, handling, issuance, packing or shipping of various stationery, supplies and forms; and such other services that might be performed more advantageously as central services.

COMMITTEE PROVISIONS

For additional capital for the Working Capital Fund the Committee provides an appropriation of $3,750,000, an increase of $3,750,000 above the amount available for fiscal year 1990 and the same as the budget request.

The Committee has included the General Provision which provides that the accumulation of growth capital shall not exceed $2,000,000 and which also provides that no funds appropriated to an agency shall be transferred to the Working Capital Fund without the approval of the agency administrator.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS

1990 appropriation	[1] $951,000
1991 budget estimate	[2] 1,095,000
Provided in the bill	1,095,000
Comparison:	
1990 appropriation	+144,000
1991 budget estimate	

[1] Reflects sequester of $5,000 pursuant to P.L. 99-177. Includes $542,000 which was appropriated to Congressional Relations, which is now part of the Office of the Assistant Secretary for Congressional Relations.

[2] The 1991 budget proposed that this activity be funded in a single account under the Office of the Secretary.

The Office of the Assistant Secretary for Congressional Relations maintains liaison with the Congress and White House on legislative matters.

COMMITTEE PROVISIONS

For the Office of the Assistant Secretary for Congressional Relations the Committee provides an appropriation of $1,095,000, an increase of $144,000 above the amount available for fiscal year 1990 and the same as the budget request.

OFFICE OF PUBLIC AFFAIRS

1990 appropriation	$7,964,000
1991 budget estimate	[1] 8,442,000
Provided in the bill	8,442,000
Comparison:	
1990 appropriation	+478,000
1991 budget estimate	

[1] The 1991 budget proposed that this activity be funded in a single account under the Office of Public Affairs

The Office of Public Affairs provides direction, leadership and balance in the development and delivery of useful information through all media to the public on USDA programs.

COMMITTEE PROVISIONS

For the Office of Public Affairs the Committee provides an appropriation of $8,442,000, an increase of $478,000 above the amount available for fiscal year 1990 and the same as the budget request.

The annual Yearbook of Agriculture predates the U.S. Department of Agriculture. The Yearbook's predecessor was first published in 1849 by the U.S. Patent Office. The 1862 report on agriculture was published by the then new U.S. Department of Agricul-

ture under the first Commissioner of Agriculture, Isaac Newton. The first "Yearbook of the United States Department of Agriculture" was printed in 1894. The law states that the report should include information "* * * specifically suited to interest and instruct the farmers of the country. * * *" Over the years, many yearbooks have been of great usefulness to the farmer. Books with topics such as insects, plant diseases, trees, grass and animal diseases have been used as handy references by farmers through the years. The Committee expects the Department, in preparation of future yearbooks, to return to topics and presentations that can be most helpful to the farmer.

INTERGOVERNMENTAL AFFAIRS

1990 appropriation	$479,000
1991 budget estimate	[1] 440,000
Provided in the bill	440,000
Comparison:	
1990 appropriation	−39,000
1991 budget estimate	

[1] The 1991 budget proposed that this activity be funded in a single account under the Office of Public Affairs.

The Intergovernmental Affairs Office directs and coordinates all programs involving the implementation of USDA policies and procedures applicable to the Department's intra- and intergovernmental relations, defense program, and emergency preparedness program.

COMMITTEE PROVISIONS

For the Intergovernmental Affairs Office the Committee provides an appropriation of $440,000, a decrease of $39,000 below the amount available for fiscal year 1990 and the same as the budget request.

OFFICE OF THE INSPECTOR GENERAL

1990 appropriation	[1] $51,779,000
1991 budget estimate	57,630,000
Provided in the bill	55,580,000
Comparison:	
1990 appropriation	+3,801,000
1991 budget estimate	−2,050,000

[1] Reflects sequester of $274,000 pursuant to P.L. 99-177.

The Office of the Inspector General was established by law October 12, 1978, by the Inspector General Act of 1978. This reaffirmed and expanded the Office established by Secretary's Memorandum No. 1915, dated March 23, 1977.

The Office is directed by an Inspector General who reports directly to the Secretary of Agriculture. Functions and responsibilities of this Office include direction or control of audit and investigative activities within the Department, formulation of audit and investigative policies and procedures regarding Department programs and operations, analysis and coordination of program-related audit and investigation activities performed by other Department agencies, and review of existing and proposed legislation and regulations regarding the impact such initiatives will have on the econ-

omy and efficiency of the Department's programs and operations and the prevention and detection of fraud and abuse in such programs. The activities of this Office are designed to assure compliance with existing laws, policies, regulations and programs of the Department's agencies, and to provide appropriate officials with the means for prompt corrective action where deviations have occurred. The scope of audit and investigative activities is large and includes administrative, program and criminal matters. These activities are coordinated, when appropriate, with various audit and investigative agencies of the Executive and Legislative Branches of the government.

COMMITTEE PROVISIONS

For the Office of the Inspector General the Committee provides an appropriation of $55,580,000, an increase of $3,801,000 above the amount available for fiscal year 1990 and a decrease of $2,050,000 below the budget request.

The Committee is aware of the tremendous overall responsibilities of the Office of the Inspector General. Within the limited resources available the Committee expects the Inspector General to concentrate his efforts in those areas that offer the greatest payback to the government.

OFFICE OF THE GENERAL COUNSEL

1990 appropriation	[1] $21,525,000
1991 budget estimate	23,517,000
Provided in the bill	23,130,000
Comparison:	
1990 appropriation	+1,605,000
1991 budget estimate	−387,000

[1] Reflects sequester of $303,000 pursuant to P.L. 99-177.

The Office of the General Counsel, originally known as the Office of the Solicitor, was established in 1910 as the law office of the Department of Agriculture, and performs all of the legal work arising from the activities of the Department. The General Counsel represents the Department on administrative proceedings for the promulgation of rules and regulations having the force and effect of law and in quasi-judicial hearings held in connection with the administration of various programs and acts; and in proceedings before the Interstate Commerce Commission involving freight rates and practices relating to farm commodities, including appeals from the decisions of the Commission to the courts. Counsel serves as General Counsel for the Commodity Credit Corporation and the Federal Crop Insurance Corporation, and reviews criminal cases arising under the programs of the Department for referral to the Department of Justice.

COMMITTEE PROVISIONS

For the Office of the General Counsel the Committee provides an appropriation of $23,130,000, an increase of $1,605,000 above the amount available for fiscal year 1990 and a decrease of $387,000 below the budget request.

OFFICE OF THE ASSISTANT SECRETARY FOR ECONOMICS

1990 appropriation	[1] $448,000
1991 budget estimate	[2] 529,000
Provided in the bill	529,000
Comparison:	
1990 appropriation	+81,000
1991 budget estimate	

[1] Reflects sequester of $6,000 pursuant to P.L. 99-177.
[2] The 1991 budget proposed that this activity be funded in a single account under the Office of the Secretary.

The Office of the Assistant Secretary for Economics provides direction and coordination in carrying out the laws enacted by the Congress in the area of economics, statistics, and other social sciences research, analysis and information related to food, agriculture, and rural resources. The Office has oversight and management responsibilities for the National Agricultural Statistics Service, Economic Research Service, World Agricultural Outlook Board, Economic Analysis Staff, Economic Management Staff and the Office of Energy.

COMMITTEE PROVISIONS

For the Office of the Assistant Secretary for Economics the Committee provides an appropriation of $529,000, an increase of $81,000 above the amount available for fiscal year 1990 and the same as the budget request.

ECONOMIC RESEARCH SERVICE

1990 appropriation	[1] $50,589,000
1991 budget estimate	56,262,000
Provided in the bill	54,400,000
Comparison:	
1990 appropriation	+3,811,000
1991 budget estimate	−1,862,000

[1] Reflects sequester of $513,000 pursuant to P.L. 99-177.

The Economic Research Service develops and carries out a program of economic research designed to benefit farmers and the general public. The findings of this research are made available to farmers and others through research reports and through economic outlook and situation reports on major commodities, the national economy, and the international economy.

COMMITTEE PROVISIONS

For the Economic Research Service the Committee provides an appropriation of $54,400,000, an increase of $3,811,000 above the amount available for fiscal year 1990 and a decrease of $1,862,000 below the budget request.

The Committee provides an increase of $800,000 to enhance the safety of the U.S. food supply. The Committee supports this objective and expects the program to provide a substantial improvement to the quantity and quality of information that is currently available regarding the safety of the food supply.

NATIONAL AGRICULTURAL STATISTICS SERVICE

1990 appropriation	[1]$66,976,000
1991 budget estimate	81,151,000
Provided in the bill	76,451,000
Comparison:	
1990 appropriation	+9,475,000
1991 budget estimate	−4,700,000

[1] Reflects sequester of $925,000 pursuant to P.L. 99-177.

The National Agricultural Statistics Service (formerly known as the Statistical Reporting Service) was created to give coordinated leadership to the statistical reporting, research and service programs of the Department. It provides a channel for the orderly flow of statistical intelligence about the agricultural economy in this country. The primary responsibilities of this Service are the national and state crop and livestock estimates and coordination and improvement in the Department's statistical requirements.

COMMITTEE PROVISIONS

For the National Agricultural Statistics Service the Committee provides an appropriation of $76,451,000, an increase of $9,475,000 above the amount available for fiscal year 1990 and a decrease of $4,700,000 below the budget request.

The Committee provides an increase of $3,500,000 to enhance the safety of the U.S. food supply. The Committee supports this objective and expects the program to provide a substantial improvement to the quantity and quality of information that is currently available regarding the safety of the food supply.

The Committee has provided $1,850,000 to expand coverage of farm labor wage rate information for seasonal production activities in ten states. New Mexico is unique in that it grows 80 percent of this country's chili peppers. Due to a labor shortage experienced last summer and a larger crop expected this summer, New Mexico farmers are faced with a critical shortage of seasonal farm labor. The Committee expects NASS to add New Mexico to its list of states to receive a January survey and monthly coverage reports from April through October.

WORLD AGRICULTURAL OUTLOOK BOARD

1990 appropriation	[1]$1,910,000
1991 budget estimate	2,404,000
Provided in the bill	2,196,000
Comparison:	
1990 appropriation	+286,000
1991 budget estimate	−208,000

[1] Reflects sequester of $26,000 pursuant to P.L. 99-177.

The World Agricultural Outlook Board was created by the Secretary of Agriculture on June 3, 1977, under the authority of Reorganization Plan No. 2 of 1953. The Board serves as the single focal point of the Nation's economic intelligence related to domestic and international food and agriculture with the responsibility for coordinating and reviewing for clearance all commodity and aggregate agricultural and food-related data used to develop outlook and situation material within the Department of Agriculture. The

Board's primary objective is to improve the consistency, objectivity and reliability of outlook and situation material being disseminated to the public.

The Board's functions include information dissemination; market surveillance; coordination of international and domestic agricultural development; coordination of weather, climate and remote sensing research; and forecasting techniques.

COMMITTEE PROVISIONS

For the World Agricultural Outlook Board the Committee provides an appropriation of $2,196,000, an increase of $286,000 above the amount available for fiscal year 1990 and a decrease of $208,000 below the budget request.

OFFICE OF THE ASSISTANT SECRETARY FOR SCIENCE AND EDUCATION

1990 appropriation	[1] $432,000
1991 budget estimate	[2] 512,000
Provided in the bill	512,000
Comparison:	
1990 appropriation	+80,000
1991 budget estimate	

[1] Reflects sequester of $6,000 pursuant to P.L. 99-177.
[2] The 1991 budget proposed that this activity be funded in a single account under the Office of the Secretary.

The Office of the Assistant Secretary for Science and Education provides direction and coordination in carrying out the laws enacted by the Congress for food and agricultural research, extension and teaching efforts. The Office has oversight and management responsibilities for the Agricultural Research Service, Extension Service, Cooperative State Research Service, and National Agricultural Library.

COMMITTEE PROVISIONS

For the Office of the Assistant Secretary for Science and Education the Committee provides an appropriation of $512,000, an increase of $80,000 above the amount available for fiscal year 1990 and the same as the budget request.

The Committee expects the Department to pursue research and extension efforts to assess the role of composting as a reduction and recycling technique for farm wastes and for other waste streams, as appropriate, and to identify agricultural uses and markets for finished compost.

AGRICULTURAL RESEARCH SERVICE

1990 appropriation	[1] $586,146,000
1991 budget estimate	623,510,000
Provided in the bill	633,708,000
Comparison:	
1990 appropriation	+47,562,000
1991 budget estimate	+10,198,000

[1] Reflects sequester of $8,193,000 pursuant to P.L. 99-177.

The Agricultural Research Service was established by the Secretary of Agriculture on November 2, 1953, under the authority of the Reorganization Act of 1949 (5 U.S.C. 133z-15), Reorganization

Plan No. 2 of 1953, and other authorities. It conducts basic and applied research in the fields of livestock, plant sciences, entomology, soil and water conservation, agricultural engineering utilization and development, nutrition and consumer use, marketing, and development of methods to eradicate narcotic-producing plants.

The Service also directs research beneficial to the United States which can be advantageously conducted in foreign countries through agreements with foreign research institutions and universities, using foreign currencies for such purposes. This program is carried out under the authority of sections 104(b) (1) and (3) of Public Law 480, and the Agricultural Trade Development and Assistance Act of 1954, as amended.

COMMITTEE PROVISIONS

Salaries and expenses.—For salaries and expenses of the Agricultural Research Service the Committee provides an appropriation of $633,708,000, an increase of $47,562,000 above the amount available for fiscal year 1990 and $10,198,000 above the budget request.

Water quality and quantity.—For research to reduce groundwater contamination, enhance water quality and increase water quantity the Committee has provided $32,477,000, an increase of $5,000,000 above the amount available for fiscal year 1990 and $2,400,000 below the budget request.

Global climate change.—For research to determine the impact of global climate change on the agricultural environment and agricultural impacts on climate the Committee has provided $5,064,000, an increase of $4,000,000 above the amount available for fiscal year 1990 and $3,415,000 below the budget request.

Plant germ plasm.—For plant germ plasm acquisition, maintenance and enhancement the Committee has provided $30,304,000, an increase of $2,200,000 above the amount available for fiscal year 1990 and the same as the budget request. Within the foregoing amount, the Committee earmarks $150,000 for an increase for the National Arboretum. These funds will be used to work with cooperating facilities across the United States in order to collect, identify and propagate the widest variety of woody trees and shrubs that are native to the United States before they are lost to environmental degradation.

Plant genome research.—For plant genome research the Committee has provided $3,773,000, an increase of $3,674,000 above the amount available for fiscal year 1990 and the same as the budget request.

Narcotic plants.—For research to control narcotic plants the Committee has provided $6,484,000, an increase of $5,000,000 above the amount available for fiscal year 1990 and the same as the budget request.

Animal health.—For research to enhance animal health the Committee has provided $10,332,000, an increase of $1,500,000 above the amount available for fiscal year 1990 and the same as the budget request.

Animal germ plasm.—For research on animal germ plasm preservation and evaluation the Committee has provided $6,501,000, an

increase of $1,500,000 above the amount available for fiscal year 1990 and $200,000 below the budget request.

Food quality and safety.—For research to assure food quality and safety the Committee has provided $32,917,000, an increase of $5,400,000 above the amount available for fiscal year 1990 and $5,400,000 below the budget request.

Beltsville.—An amount of $7,250,000 is provided for the continued modernization and renovation of the Beltsville Agriculture Research Center for the study, design and construction of buildings, roads and services required to support research carried out at the Center. Funds are not provided at this time for design of an integrated swine facility.

Pay costs.—The Committee has provided $5,448,000 for increased pay costs, the same as the budget request.

Food toxicology.—The Committee provides $250,000 for food toxicology research for fiscal year 1991, the same as the amount available for fiscal year 1990, to be used for research into problems of food safety and contamination. The project will involve studies including, but not limited to, chemical toxicants, carcinogens, biological agents, and other substances or processes which may endanger the food supply and thereby constitute a threat to public health.

Dwarf bunt research.—The Committee provides a total of $130,000 for dwarf bunt research, which includes $50,000 for the program started four years ago to eliminate dwarf bunt in Michigan wheat. The amount provided by the Committee is the same as the amount available last year and the same as the budget request.

Wheat quality research.—Included in the bill is $19,000, the same as the amount available for fiscal year 1990, for a cooperative effort with the Eastern Soft Wheat Quality Laboratory in connection with milling, flour, dough and baking tests at Michigan State University.

Wheat Research Laboratories.—The Committee is also aware of the need for further improvements at the ARS wheat research facilities in Wooster, Ohio; Manhattan, Kansas; Pullman, Washington; and Fargo, North Dakota. The Department is urged to make such improvements as may be possible within available funds.

Potato scab research.—For potato scab research the Committee provides $190,000, the same as the amount available for fiscal year 1990 and the same as the budget request.

Dry bean research.—The Committee expects the Department to maintain its support for dry bean work underway at Michigan State University, including the number of scientist years devoted to the project.

Meat Animal Research Center.—The Committee provides an increase of $500,000 over the budget request for the gene mapping program carried out at the Meat Animal Research Center in Clay Center, Nebraska. The Committee has also provided for two additional swine facilities to be constructed at the Center. For the Animal Health Unit the Committee has provided an increase of $250,000, the same as the budget request.

Sugarcane research.—The Committee provides $981,000 for expanded sugarcane research in Hawaii, an increase of $200,000 above the budget request. Much of the sugarcane research performed in the United States is not directly applicable to the Hawai-

ian sugarcane industry due to its longer crop year, volcanic soils, unique methods of harvesting and tropical climate. In addition to research in these areas, amounts may be used for the development of new products from sugarcane. The Committee will expect this research to be carried out through a contract with the Hawaiian Sugar Planters' Association, the same as last year.

Hawaii fruit fly.—The Committee provides $2,667,000, an increase of $900,000 above the budget request, for the continuation of the fruit fly eradication experiment in Hawaii. The additional funds will allow the Department to accelerate the current timetable for Kauai. In addition, this amount will permit the Department to commence eradication of the Malaysian fruit fly in order to prevent it from migrating to neighboring islands. The Committee will expect this research to be conducted as a cooperative program with the University of Hawaii.

Center for Applied Aquaculture Research and Training.—The Committee provides $463,000 for the Center for Applied Aquaculture Research and Training at the Oceanic Institute for the acquisition of fixed and moveable equipment to make the Center operational. Funds to construct this state-of-the-art facility were approved in fiscal year 1988. The State of Hawaii has provided the required cost share funding. The amount provided will permit the Center to develop and commercialize marine and freshwater aquaculture technologies. The Committee will expect the Department to maintain existing staffing at the Institute.

National Sedimentation Laboratory.—The Committee provides $4,891,000 for the National Sedimentation Laboratory, the same amount as the budget request. Included in this total is $1,383,000, the same as the budget request, to maintain the work now underway on the Yazoo Basin Demonstration Project, a cooperative effort between the Soil Conservation Service, the U.S. Army Corps of Engineers, and the Agricultural Research Service.

The Committee will expect the Department to make the facilities of the National Sedimentation Laboratory available, when needed, to the Soil Conservation Service under terms and conditions mutually agreed upon between SCS and ARS. The Committee feels such a mutual arrangement will help to expand and promote soil conservation efforts.

Also included is $1,000,000, the same as the budget request, for work in association with the Center for Computational Hydroscience and Engineering at the University of Mississippi in support of the Soil Conservation Service and the Corps of Engineers Erosion Control Demonstration Project with state-of-the-art methodology of numerical-empirical modeling.

Pesticide research.—The Committee provides $1,348,000, the same as the budget request, for continuation of the work now underway at the Pesticide Research Unit at Stoneville, Mississippi. Research underway is directed at decreasing the use of pesticides by increasing the amount of pesticide reaching the target, thus minimizing environmental contamination and reducing the cost to the grower. This research also provides reduced environmental contamination from ground and air application by improved formulation for chemicals and biological control agents and improved application techniques.

Kenaf.—The Committee provides $1,106,000, the same as the budget request, for research on kenaf, a major new agricultural product. Funds provided are to continue work now underway in Mississippi, Texas, and Oklahoma.

Human nutrition research.—The Committee provides an increase of $500,000 each to four of the Federal Human Nutrition Research Centers: the Center on Aging at Tufts University; the Children's Center at Baylor College of Medicine; the center at Beltsville; and the center located at Letterman Army Hospital in San Francisco. These additional funds will be used to continue the program of bringing these Federal facilities to their planned operational levels.

Urban pest research.—The Committee provides $543,800 for the Insects Affecting Man Laboratory at Gainesville, Florida, an increase of $100,000 above the budget request. The additional funds will be used to strengthen the urban pest research program.

Fruit research.—The Committee is aware of the very important work carried out on fruit research at Wenatchee and Yakima in the State of Washington. Washington, Oregon, and Idaho have annual fruit sales of approximately $1,000,000,000. The Committee will expect the Department to continue to give increased attention to the important work carried out at these two facilities.

Soybean-based ink.—For research on soybean-based ink the Committee has provided $426,000, an increase of $150,000 above the budget request. The environmental benefits from using a readily degradable ink and the low-rub characteristics of soybean ink make this research essential.

Starch research.—The Committee believes the development and use of degradable plastics could provide our country with significant environmental benefits. As a new technology, continued research needs to occur on the production, evaluation and utilization of starch-based plastics.

The Department has been the leader in the development of a process that encapsulates pesticides with cornstarch. This product allows the farmer to apply less pesticides which reduces input costs. The chemical is released more slowly into the soil which improves the effectiveness of the product and decreases leaching into the groundwater. The Committee encourages additional research to determine if the same process could be applied to herbicides and fertilizers.

In addition, the Committee would like the Department to continue research on new products such as industrial starch which can be used as a replacement in petroleum-based products.

The Committee will expect the Department to compile a report that outlines the institutions that are conducting the research, the amount of money spent on such research, and the purpose of the research. The Committee will expect the Department to submit this report prior to the hearings on the fiscal year 1992 appropriations bill.

Aflatoxin research.—The Committee provides $5,849,000 for aflatoxin research, an increase of $1,600,000 above the amount available for fiscal year 1990 and the same as the budget request. Aflatoxin is a highly toxic chemical produced naturally. It has been found in almost all agricultural commodities; however, it is a significant problem only in peanuts, corn, cottonseed and tree nuts.

Peach and pecan research.—The Committee provides $2,284,000 for peach and pecan research at the Southeastern Fruit and Tree Nut Laboratory in Byron, Georgia, an increase of $150,000 above the budget request. The additional funds will be used to strengthen the peach and pecan research programs at Byron. The Committee has also restored funds ($192,000) for peach tree short-life research in South Carolina.

Potato research.—The Committee provides increases of $150,000 for potato beetle research and $100,000 for research on potato varieties.

U.S. Food Fermentation Laboratory.—The Committee provides $446,000 for the U.S. Food Fermentation Laboratory in Raleigh, North Carolina, an increase of $150,000 above the amount available for fiscal year 1990 and above the budget request.

Cotton ginning.—The Committee will expect the Department to increase the resources available for support of the ginning laboratories. Additional funds will be used to increase emphasis on ginning research to enhance interactive decision making, computer controlled ginning systems, ginning system design to maximize product quality, and instrumentation systems related to product quality improvements.

Eastern filbert blight.—The Committee provides an increase of $50,000 for expanding research on the biology of the Eastern filbert blight fungus. This fungus is still advancing into the major hazelnut producing areas of Oregon, a $45 million per year industry.

Wheat, Sorghum, and Forage Research Unit.—The Committee appreciates the importance of the research carried out at the ARS Wheat, Sorghum, and Forage Research Unit located at the University of Nebraska at Lincoln. The Committee will expect the Department to provide increased support for this research.

Soybean research.—The Committee provides an increase of $350,000 for soybean composition research and research on improved southern soybean production.

Turkey osteomyelitis complex.—The Committee provides $200,000 for research on turkey osteomyelitis complex, a musculoskeletal infection which causes losses of approximately $10 million per year to the turkey industry.

Sweet potato research.—The Committee provides an increase of $250,000 for research on the control of texture in sweet potato products and research on the sweet potato pox virus.

Sweet potato white-fly.—The Committee has provided $590,000 for research on the sweet potato white-fly, an increase of $100,000 above the budget request. This pest is a serious threat to Florida's tomato industry. Additional damage has also been incurred by the ornamental plant, squash, and melon industries.

Systematic Entomology Laboratory.—The Committee will expect the Department to continue to direct additional resources to the Systematic Entomology Laboratory.

Leafy Spurge.—The Committee recognizes the growing threat to pastureland posed by increasing infestations of leafy spurge, a devastating noxious weed. The Committee expects that more attention will be focused on leafy spurge control research, education, and information dissemination.

STEEP II.—The Committee will expect the Department to provide the necessary support for the STEEP II project at its Pendleton and Pullman facilities.

Locoweed research.—The Committee has provided $200,000 for research on locoweed. A severe outbreak of locoweed has occurred in parts of New Mexico. Sheep, cattle and horses graze heavily on the plant which is highly toxic and apparently addictive. The effects of locoweed are abortion and birth defects in livestock, emaciation of adult livestock and behavorial abnormalities. In one county alone, over $3 million in losses have been suffered so far this year. This research will be carried out as a joint effort between the Department and New Mexico State University.

Peanut research.—The Committee provides an increase of $300,000 for research on peanuts to expand the work carried out at the three peanut research laboratories located at Tifton, Suffolk and Raleigh.

Special fund.—For the special fund of the Agricultural Research Service, which provides for junior scientific help, the Committee has provided $2,500,000, an increase of $500,000 above the amount available for fiscal year 1990 and the budget request.

BUILDINGS AND FACILITIES

1990 appropriation	$10,675,000
1991 budget estimate	32,600,000
Provided in the bill	26,039,000
Comparison:	
1990 appropriation	+15,364,000
1991 budget estimate	−6,561,000

The buildings and facilities account was established for the acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities which directly or indirectly support research and extension programs of the Department. Routine construction or replacement items would continue to be funded under the limitations contained in the regular account.

COMMITTEE PROVISIONS

For buildings and facilities of the Agricultural Research Service the Committee has provided $26,039,000, an increase of $15,364,000 above the amount available for fiscal year 1990 and a decrease of $6,561,000 below the budget request.

AGRICULTURAL RESEARCH SERVICE BUILDINGS AND FACILITIES

	Fiscal year—		
	1990 appropriation	1991 request	1991 provision
1. South Central Agriculture Research Center, Lane, OK	$150,000	.....	$1,450,000
2. Salinity Lab at Riverside, CA	2,000,000	.....	5,050,000
3. National Seed Storage Lab, CO	5,500,000	$4,000,000	2,000,000
4. Vegetable Lab at Charleston, SC	1,135,000	.....	.....
5. Bee Lab at Weslaco, TX	340,000	.....	1,700,000
6. Fruit and Vegetable Lab at Yakima, WA	1,000,000	10,100,000	5,050,000
7. Northwest Small Fruit Center (planning)	50,000	.....	150,000
8. Plant Stress Lab at Texas Tech, TX	500,000	.....	600,000

AGRICULTURAL RESEARCH SERVICE BUILDINGS AND FACILITIES—Continued

	Fiscal year—		
	1990 appropriation	1991 request	1991 provision
9. Beltsville Agriculture Research Center, MD		16,000,000	8,750,000
10. Poultry Disease Laboratory at Athens, GA (planning)		2,500,000	300,000
11. Soil and Water Lab at Morris, MN (planning)			300,000
12. National Animal Disease Center, Incinerator at Ames, IA (postmortem facility) (planning)			300,000
13. Repair and improvement, ARS facilities			389,000
Total	10,675,000	32,600,000	26,039,000

Beltsville.—An amount of $8,750,000 is provided for the continued modernization and renovation at the Beltsville Agriculture Research Center for the study, design and construction of wastewater treatment facilities; a new laboratory building at BARC-West; free stall barn and a central hay storage building. Funds are not provided at this time for design of an integrated swine facility.

U.S. Salinity Laboratory.—The Committee will expect the Department to utilize a portion of the funds appropriated in fiscal year 1990 for the construction of the U.S. Salinity Laboratory, Riverside, California, for the purpose of completing the planning and design requirements of the facility.

U.S. Vegetable Laboratory.—The Committee will expect the Department to utilize the funds appropriated for planning and construction of the U.S. Vegetable Laboratory at Charleston, South Carolina, for the purpose of planning and design of Phase I of the proposed facility.

U.S. Water Management Laboratory.—The Committee will expect the Department to assess the status of facilities at the Fresno, California location and report to the Committee any deficiencies that exist and the plan to correct such deficiencies.

U.S. Citrus Research Center.—The Committee is aware that the Department is considering relocating the Orlando, Florida facility. In this regard, the Department should report to the Committee the requirements of the proposed complex, including cost estimates to purchase the necessary land and to initiate planning and design of a new complex. The Committee will also expect to be advised of the disposal value of or alternative Federal uses of the land.

U.S. Farm-raised Catfish Research Center.—For the past decade the Committee has funded an extensive research program at Stoneville, Mississippi, in support of the farm-raised catfish industry. This research has been a major contributor to the phenomenal growth of that industry. The industry's continued growth depends on the development and implementation of new technologies rising out of a comprehensive research, development and demonstration program. The Committee will expect the Department to prepare a detailed report on the work that needs to be done at Stoneville, the plans for the future and the funding and facilities required to implement such plans.

Northern Regional Research Center.—The Committee is aware of the need to modernize the Northern Regional Research Center at

Peoria, Illinois. This laboratory, over the last half century, has been a leading contributor to the great success of U.S. agriculture through its many research accomplishments. The Committee will expect the Department to report on requirements to upgrade utilities, heating and cooling systems, to correct safety and code violations, and to improve laboratory space at the Center.

Plant Stress and Water Conservation Laboratory.—The Committee will expect that completion of architectural plans for the Plant Stress and Water Conservation Laboratory at Lubbock, Texas, be achieved through the use of designated unobligated funds previously appropriated for laboratory planning, together with the additional $600,000 herein made available for planning and design of the laboratory.

Western Human Nutrition Research Center.—The Committee is aware of the uncertainty concerning the future location of the Western Human Nutrition Research Center located at Letterman Army Hospital in San Francisco, California. Since this facility is located at the Presidio, the Committee will expect a report prior to the start of the hearings on the fiscal year 1992 budget specifying what success has been achieved toward resolving this issue.

Cooperative State Research Service

1990 appropriation	[1] $337,668,000
1991 budget estimate	346,893,000
Provided in the bill	372,826,000
Comparison:	
1990 appropriation	+35,158,000
1991 budget estimate	+25,933,000

[1] Reflects sequester of $4,326,000 pursuant to P.L. 99-177.

The Cooperative State Research Service was established by Secretary's Memorandum No. 1462, dated July 19, 1961, and Supplement 1, dated August 31, 1961, under Reorganization Plan No. 2 of 1953. The primary function of the Service is to administer Acts of Congress that authorize Federal appropriations for agricultural research carried on by the State Agricultural Experiment Stations of the 50 States, District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, Micronesia and Northern Mariana Islands, and by approved schools of forestry, the 1890 land-grant colleges and Tuskegee University, and other eligible institutions. Administration of payments and grants involves the approval of each research proposal to be financed in whole or in part from Federal grant funds; the continuous review and evaluation of research programs and expenditures thereunder and the encouragement of cooperation within and between the states, and with the research programs of the U.S. Department of Agriculture.

COMMITTEE PROVISIONS

For payments under the Hatch Act the Committee provides $163,327,000, an increase of $8,269,000 above the amount available for fiscal year 1990 and an increase of $4,782,000 above the budget request.

For cooperative forestry research the Committee provides $13,494,000, $3,785,000 less than the amount available for fiscal year 1990 and an increase of $519,000 above the budget request.

For payments to the 1890 land-grant colleges and Tuskegee University the Committee provides $26,346,000, an increase of $1,334,000 above the amount available for fiscal year 1990 and an increase of $177,000 above the budget request. The Committee also provides $650,000 for a grant to Mississippi Valley State University, $33,000 above the amount available for fiscal year 1990, for purposes of curriculum development and strengthening in order that the University may receive benefits similar to those currently received by the 1890 land-grant colleges and Tuskegee University.

SPECIAL RESEARCH GRANTS

For special research grants the Committee provides $56,909,000, $1,081,000 above the amount available for fiscal year 1990 and $31,312,000 above the budget request. The Committee will expect the Department to work with the recipients of special grants to develop matching funding from non-Federal sources. It is not the Committee's intention to prevent funding for any special grant because of a lack of full matching funds this year, but rather to encourage, to the maximum extent possible, that matching funds be provided. In this period of scarce Federal resources, the need for matching funds will take on increasing importance.

The following table reflects the Committee's provisions for special research grants:

[In thousands of dollars]

	Fiscal year—		House bill
	1990 Enacted	1991 Request	
Special Research Grants (P.L. 89–106):			
Aflatoxin (IL)	87		175
Agricultural diversification (HI)	154		154
Agricultural management systems (MA)			350
Agriculture utilization research (MN)	395		500
Alternative cropping systems (Southeast)	281		270
Alternative to dinoseb (OR)	222		225
Animal health	5,633		5,705
Animal waste disposal (MI)			75
Apple quality research (MI)	94		95
Aquaculture (general)	563		593
Aquaculture (Stoneville)	581		612
Asparagus yield decline (MI)	94		95
Bean and beet (MI)	188		190
Belgian endive (MA)	59		75
Blueberry shoestring virus (MI)	91		92
Broom snakeweed (NM)	148		150
Celery fusarium (MI)	39		40
Chesapeake Bay aquaculture	370		375
Cool season legume research			250
Cottonseed extraction and oil refining (TX)			75
Cranberry/blueberry disease and breeding (NJ)	257		260
Dairy and beef photoperiod (MI)	33		33
Dairy goat research (TX)	74		75
Delta rural revitalization (MS)	173		175
Eastern filbert blight (OR)			50
Environmental research (NY)			350

[In thousands of dollars]

	Fiscal year—		House bill
	1990 Enacted	1991 Request	
Ethanol research (AR)			200
Expanded wheat pasture (OK)	148		275
Floriculture (HI)	296		296
Food and Agriculture Policy Institute (IA, MO)	714		750
Food marketing policy center (CT)	373		393
Food systems research group (WI)	219		222
Global change		5,000	(1)
Grasshopper biocontrol (ND)	71		71
Human nutrition research (NY)	556		800
Human nutrition research (IA, LA)			600
Integrated pest management	2,903	4,000	4,000
Integrated production systems (OK)	186		186
Livestock and dairy policy (NY, TX)	518		525
Lowbush blueberry research (ME)	170		172
Low-input agriculture (MN)	148		200
Michigan institute	2,160		2,276
Midwest biotechnology consortium	2,592		2,730
Milkweed research (NE)	79		80
Minor crop pest control (HI)	281		285
Minor use animal drugs (IR-4)	226	329	450
Mosquito research (AR, CA, LA, MS, TX)	450		456
Multi-cropping strategies for aquaculture (HI)	150		150
National biological impact assessment	123	300	300
Nematode resistance genetic engineering (NM)			150
New uses for agricultural products (OH)	131		150
Non-food agricultural products (NE)	109		110
Oil from jojoba (NM)	148		200
Oregon—Mass. biotechnology	247		500
Peach tree short life (SC)	190		192
Pecan weevil (OK)			50
Pesticide clearance (IR-4)	1,975	3,000	3,000
Pesticide impact assessment	2,437	2,968	2,968
Pesticide research (WA)	49		250
Phytophthora root rot (NM)			125
Plastic from cornstarch (NE)	39		40
Potato research	1,310		1,327
Preservation and processing research (OK)	264		267
Prime farm land reclamation (IL, KY)	543		675
Regional barley gene mapping project	153		175
Regionalized implications of farm programs (MO, TX)	346		350
Rural development center (PA, IA, (ND), MS, OR)	494		500
Rural environmental research			150
Russian wheat aphid (WA, OR, ID, CA)	346		350
Sandhills grazing management practices (NE)	99		100
Seafood and aquaculture harvesting, processing and marketing (MS)	368		373
Seedless table grapes (AR)			100
Small fruit research (OR, WA, ID)			250
Southwest consortium for plant genetics and water resources	380		400
Soybean cyst nematode (MO)	281		385
STEEP—soil erosion in Northwest	584		
STEEP II—water quality in Northwest			980
Stone fruit decline (MI)	281		285
Stored grain insects (KS)	281		285
Subirrigation research (MI)	62		263
TCK smut (wheat)	247		250
Tropical and subtropical	3,299		3,341
Water quality	6,615	10,000	8,350
Wild rice research (MN)			100
Wood utilization research (OR, MS, MI)	2,816		2,852
Wool research (TX, WY, MT)	144		250
World food systems (IN, OH)	355		360

[In thousands of dollars]

	Fiscal year—		House bill
	1990 Enacted	1991 Request	
Completed research	9,336		
Total, Special Research Grants	55,828	25,597	56,909

[1] Transferred to competitive grants.

Cool season legume research.—The Committee provides $250,000 for research on cool season legumes, such as lentils, peas, chickpeas and faba beans. This research will be carried out by the University of Idaho and Washington State University. This research will also receive state and private funding.

Animal waste disposal.—The Committee provides $75,000 for research in Michigan on the animal waste disposal practices designed to reduce groundwater contamination. The research is intended to develop an environmentally sound and economically feasible strategy for new and innovative methods to modify, store, transport and utilize animal manure. Work was curtailed on these efforts in the early to mid-1970's with little being done at the present time. The developed strategy would trace groundwater risks from current animal waste handling procedures, and develop alternative management for long-term handling at cost levels more affordable to producers. This research will also receive state and private funding.

Environmental research.—The Committee provides $350,000 for research on environmental concerns in agriculture. This research will be conducted at Cornell University and coordinated with its EPA designated Center of Excellence, the Ecosystems Research Center, and the Center for Environmental Research. This research will receive matching funds from local, state and private sources.

Pecan weevil.—The Committee provides $50,000 for pecan weevil research at Oklahama State University. This research will receive matching funds from local, state and private sources.

Phytophthora root rot.—The Committee provides $125,000 for research on phytophthora root rot, commonly known as chili wilt. This research will be carried out at New Mexico State University and will be in conjunction with funding from private sources.

Nematode resistance through genetic engineering.—The Committee provides $150,000 for research on the control of plant pathogenic nematodes by exploiting a naturally occurring mechanism for nematode destruction found in certain groups of soil fungi. This research will be carried out at New Mexico State University and will be in conjunction with funding from non-Federal sources.

Eastern filbert blight.—The Committee provides $50,000 for research on eastern filbert blight which is advancing into the major hazelnut producing areas of Oregon. This research will be carried out at Oregon State University and will be in conjunction with funding from state and private sources.

Human nutrition research.—The Committee has provided $600,000 for two grants of $300,000 each for expanding research on human nutrition. This research will be carried out at Iowa State University and at the Pennington Research Laboratory in Louisi-

ana. The majority of the funding for these projects will come from state and private sources.

Seedless table grapes.—The Committee provides $100,000 for research on developing value-added products from Arkansas seedless table grapes. This research will be carried out by the University of Arkansas and will be in conjunction with state and private funding.

Cottonseed extraction and oil refining.—The Committee provides $75,000 for the cottonseed extraction and oil refining project directed at finding a replacement for the solvent hexane. This project will receive funding from state and private sources.

Small fruit research.—The Committee provides $250,000 for the small fruit research project, a tri-state initiative involving Washington, Oregon, and Idaho. The majority of the funding for this project will come from state and private sources.

Agricultural management systems.—The Committee provides $350,000 for the agriculture management systems research project designed to develop a biological and ecological basis for agriculture in the northeastern region which is both profitable and sustainable over the long term. This research will be carried out at the University of Massachusetts and the Committee will expect funding from state and private sources.

Wild rice research.—The Committee provides $100,000 for research on new varieties of wild rice which could lead to improved crop yields. Increased yield would allow the Indians who harvest this rice to expand their farming operations, thereby decreasing their extemely high unemployment rate. Additional funding will come from state and private sources.

Ethanol research.—The Committee provides $200,000 for research on ethanol production. This research will be conducted at Arkansas State University and will address questions concerning crop substitution, ethanol production from nontraditional crops and plant construction requirements. The Committee expects that additional funds will come from state, local or private sources.

Rural environmental research.—The Committee provides $150,000 for research on demonstrating the feasibility of alternative crops and integrated management practices to assist in maintaining farmers' productivity and economic viability. This research will be carried out at Western Illinois University and matching contributions will be provided by the University.

Research consortiums.—The Committee is aware of proposals to establish a number of new research consortiums. Because of limited resources, the Committee is unable to fund any additional consortiums. Furthermore, the Committee will expect the existing consortiums to provide matching funds, to the maximum extent possible, and to work toward ending their reliance on Federal funds.

STEEP II.—The Committee provides a total of $980,000 for a program on water quality research and education in the Pacific Northwest known as STEEP II. This project is a follow-on to the successful STEEP project which dealt with soil erosion in the Pacific Northwest and is now completed. The Committee's recommendation includes $680,000 for mission oriented research and for technology transfer and adaptive research. In addition, the Committee

has provided $300,000 in startup costs which will be used for the purchase of specialized research equipment.

Wool research.—The Committee has provided $250,000 for wool research, an increase of $106,000 above the amount provided last year. The additional funds will be used for expanded research at the University of Wyoming, Texas A&M University and Montana State University. Additional funds will be provided by state and private sources.

Bovine leukemia.—The Committee is aware of a proposal for a bovine leukemia laboratory and information center at East Texas State University and expects the Department to review this proposal and submit a report to the Committee on the need for such a center.

COMPETITIVE GRANTS

For competitive research grants the Committee provides $73,000,000, $30,479,000 above the amount available for fiscal year 1990 and $27,000,000 below the budget request.

The Committee will expect the Department to work with the applicants for competitive grants to develop matching funding from non-Federal sources. It is not the Committee's intention to prevent funding for any competitive grant because of a lack of full matching funds this year, but rather to encourage, to the maximum extent possible, that matching funds be provided. In this period of increasingly scarce Federal resources, the need for matching funds will take on increasing importance.

The Committee will also expect the Department to submit to the House and Senate Appropriations Committees a summary of each grant proposal as it is approved, as well as a summary of what each completed grant has accomplished.

The following table reflects the amount provided by the Committee for competitive research grants, including allocations for specific areas of research:

[In thousands of dollars]

	Fiscal year 1990 enacted	Fiscal Year 1991 estimate	Committee provisions
Competitive research grants:			
Plant systems	7,751	50,000	35,000
Soybean research	(487)	.....	(493)
Alcohol fuels	(507)	.....	(514)
Animal science	4,937	30,000	20,000
Brucellosis	(469)	.....	(475)
Pest science	1,975	.....	.....
Nutrition, food quality and health	1,481	5,000	4,000
Biotechnology	18,775	.....	.....
Stratospheric ozone	3,652	.....	.....
Forestry	3,949	.....	.....
Natural resources and the environment	.....	15,000	14,000
Total	42,521	100,000	73,000

For the last several years the Committee has been concerned that a large proportion of the funds appropriated for the competitive research grants, awarded by the Cooperative State Research

Service, is used to pay university overhead or indirect charges. As detailed in the Committee's hearing record for 1990, Part 2, pages 328–329, the overhead rates for fiscal year 1989 ranged from 33.7 percent to 77 percent. Therefore, because of the Committee's concern, the following general provision was added to the fiscal year 1990 Appropriations Act:

> SEC. 639. None of the funds in this Act shall be available to pay indirect costs on research grants awarded competitively by the Cooperative State Research Service that exceed 25 percent of total direct costs under each award.

The Committee points out that indirect costs are not paid on special research grants. The Committee believes the allowable overhead rate on competitive grants should be brought more in line with special grants and other USDA programs. To accomplish this, the Committee has reduced the allowable rate from 25 percent down to 14 percent, the same rate used by the Agricultural Research Service.

OTHER PROVISIONS

For animal health and disease research (sec. 1433) the Committee provides $5,695,000, $288,000 above the amount available for fiscal year 1990 and an increase of $5,695,000 above the budget request.

For research at the National Center for Physical Acoustics the Committee provides $500,000, which shall be available for contracting with the Center for research work needed by the Department.

For research on alternative crops the Committee provides $918,000. Included in the total is $250,000 for crambe and winter rapeseed, $71,000 less than the amount available for fiscal year 1990 and the same as the budget request. Also provided is $668,000 for research on guayule, the same as the budget request. In fiscal year 1990 research on guayule was funded under the authorization for the Critical Agricultural Materials Act.

The Committee provides $3,750,000, $47,000 above the amount available for fiscal year 1990, to continue the program authorized by section 1475 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended, and other Acts. Section 1475(d) authorizes centers for aquaculture research, development and demonstration. The centers, which were established four years ago, are located at the University of Washington for the Western region; Southeastern Massachusetts University for the Northeastern region; Mississippi State University for the Southern region; the Center for Tropical and Subtropical Aquaculture Species, which is jointly administered by the University of Hawaii and the Oceanic Institute, for the Pacific region; and for the North Central region, one center located at Iowa State University and the second center located at Michigan State University.

For rangeland research the Committee provides $475,000, the same as the amount available for fiscal year 1990 and an increase of $475,000 above the budget request.

For low-input sustainable agriculture the Committee provides $4,450,000, the same as the amount available for fiscal year 1990 and the same as the budget request.

For the higher education programs the Committee provides a total of $9,850,000, an increase of $1,072,000 above the amount available for fiscal year 1990 and an increase of $1,000,000 above the budget request. Included in the total is $3,500,000 for graduate fellowships, an increase of $648,000 above the amount available for fiscal year 1990 and $500,000 below the budget request. For strengthening grants at the 1890 colleges and Tuskegee University the Committee provides $2,000,000, an increase of $98,000 above the amount available for fiscal year 1990 and $2,000,000 above the budget request. For challenge grants the Committee provides $1,500,000. The Committee provision also contains a $2,850,000 permanent appropriation of the Morrill-Nelson funds, the same as the amount available for fiscal year 1990 and the same as the budget request.

FEDERAL ADMINISTRATION

For Federal administration the Committee provides $14,985,000, an increase of $1,649,000 above the amount available for fiscal year 1990 and an increase of $2,746,000 above the budget request. The amount provided includes $3,365,000, an increase of $170,000 above the amount available for fiscal year 1990, for continuing the Gulf Coast Shrimp Aquaculture Research Project, which was first funded in fiscal year 1985.

For the Agriculture in the Classroom Program the Committee provides $170,000, $35,000 above the amount available for fiscal year 1990 and $30,000 below the budget request. For agricultural biotechnology the Committee provides $375,000, $150,000 above the amount available for fiscal year 1990 and $125,000 below the budget request. For Peer Panels the Committee provides $250,000, an increase of $3,000 above the amount available for fiscal year 1990 and $90,000 below the budget request. For the Office of Grants the Committee provides $575,000, an increase of $7,000 above the amount available for fiscal year 1990 and the same as the budget request.

The Committee provides $750,000, $9,000 above the amount available for fiscal year 1990, for a grant to the Center for Agricultural and Rural Development at Iowa State University to coordinate university based research and analysis in support of the Office of the U.S. Trade Representative on agricultural issues related to the GATT negotiations. This grant was first funded under the Economic Research Service in fiscal year 1988.

For 1890 capacity building grants the Committee provides $8,250,000, $4,320,000 above the amount available for fiscal year 1990 and $2,750,000 below the budget request. As previously mentioned, the Committee has restored the 1890 strengthening grants which the budget had proposed to terminate.

The Committee also provides $600,000 for water quality research at Southern Illinois University, $100,000 above the amount available for fiscal year 1990.

The Committee is also aware of a joint water quality research effort between Iowa State and the Universities of Kansas and Nebraska to assess the relationships between land use/land cover and the impact of nonpoint source pollution.

This cooperative effort would evaluate the role that the physical characteristics of land and land use practices have upon water quality. This project would also provide a framework for implementing and evaluating best management practices.

The Committee will expect the Department to assist this research initiative.

INTERNATIONAL TRADE DEVELOPMENT CENTERS

The 1985 Food Security Act authorized the Department of Agriculture to make grants for the establishment and operation of international trade development centers. Such grants are authorized to be based on a matching formula of 50 percent Federal and 50 percent state funding. The Act further provides that preference in establishing such centers shall be given to land-grant colleges and universities.

The Committee has received requests for funding from over 25 universities. The Committee believes that in these times of limited Federal resources, it would be inappropriate to embark on a major new funding initiative that could involve millions of dollars of new commitments on an annual basis. Therefore, the Committee has not provided any funds for establishing additional international trade development centers. The Committee has included funds for three trade centers which have been funded for the last several years. These funds are to be used to allow for a transition of the existing centers to non-Federal funding by the start of fiscal year 1992.

For the Center for International Trade in Forest Products (CINTRAFOR) and the International Marketing Program for Agricultural Commodities and Trade (IMPACT) the Committee provides an appropriation of $1,000,000, the same as the amount available for fiscal year 1990. Federal funds, which will be matched by state and private funds, will continue the Centers' work in increasing market opportunities for agricultural and forest products in the Pacific Northwest.

Also included is $1,000,000 for the International Trade Development Center at Iowa State University and $227,000 for the Center in Kentucky, the same as the amounts available for fiscal year 1990. These funds will be matched by state and public funds.

BUILDINGS AND FACILITIES

1990 appropriation	[1] $45,108,000
1991 budget estimate	.....
Provided in the bill	45,361,000
Comparison:	
1990 appropriation	+253,000
1991 budget estimate	+45,361,000

[1] Reflects sequester of $578,000 pursuant to P.L. 99-177.

The buildings and facilities account was established for the acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities which directly or indirectly support research and extension programs of the Department. Routine construction or replacement items would continue to be funded under the limitations contained in the regular account.

COMMITTEE PROVISIONS

For buildings and facilities at colleges and universities the Committee has provided an appropriation of $45,361,000, an increase of $253,000 above the amount available for fiscal year 1990 and $45,361,000 above the budget request.

Facilities funded by this appropriation shall be based on a matching formula of not to exceed 50 percent Federal and not less than 50 percent non-Federal funding, including funds received from private sources and from local units of government. Construction of such facilities shall be based on a firm indication of local support, including a commitment for paying all operation costs (including the research program) of the facility. Further, the research program to be carried out at these facilities shall be complimentary to the overall programs of the Department of Agriculture. Reports prepared by the Department in connection with proposed facilities shall cover in detail whether or not there is a need for such facilities. The specific provisions of the Committee are as follows:

COOPERATIVE STATE RESEARCH SERVICE BUILDINGS AND FACILITIES

	Fiscal year—	
	1990 appropriation	1991 provision
1. Montana State University Bioscience Center	$250,000	$500,000
2. Hawaii Center for Tropical and Subtropical	1,135,000	5,675,000
3. University of Nebraska Center for Advanced Technology	3,000,000	4,500,000
4. University of Wisconsin Agriculture Biotechnology and Genetics Building	600,000	1,700,000
5. Kansas State University Plant Science Center	3,000,000	500,000
6. Iowa State University Nutrition Research Center	2,300,000	1,750,000
7. Texas A&M (Houston) Institute of Bioscience and Technology	3,000,000	[1] 2,300,000
8. Rutgers University Center for Molecular Biology	90,000	5,000,000
9. Virginia Tech Agriculture Biotech Facility	113,000	1,125,000
10. University of Illinois National Soybean Laboratory	1,323,000	1,750,000
11. Michigan State University Food Toxicology Center	3,000,000	5,190,000
12. University of Georgia Biocontainment Facility	998,000	500,000
13. Iowa State University National Center for Food and Industrial Agriculture Products	3,244,000	3,400,000
14. University of Florida Biotech Institute	1,550,000	500,000
15. South Dakota State University Northern Plains Biostress Laboratory	1,700,000	500,000
16. North Dakota State University Industrial Agriculture and Communications Center	2,333,000	500,000
17. Washington State University College of Veterinary Medicine, Animal Disease Biotechnology Facility: (Planning)	([2])	1,415,000
18. Arkansas Rice Germplasm Center at Stuttgart: (Planning)		223,000
19. North Carolina Biotechnology Facility: (Planning and Construction)	([2])	750,000
20. University of California at Davis Grape Importation Facility	130,000	1,233,000
21. University of Mississippi Natural Products Laboratory	3,800,000	3,850,000
22. Indiana University Molecular and Cellular Biotech Facility: (Planning)	([2])	1,500,000
23. St Joseph's University Center for Food Marketing, Pennsylvania: (Report)		([2])
24. Tuskegee Institute, Alabama		[3] 800,000
25. University of Wyoming Environmental Simulation Facility: (Report)		([2])
26. Oregon State University Seafood Center: (Report)		([2])
27. University of Maryland Institute for Natural Resources and Environmental Science: (Report)		([2])
28. University of California Alternative Pest Control Containment and Quarantine Facility: (Report)		([2])
29. Fund for reports on need for proposed facilities [2]	300,000	200,000
30. Other facilities	13,242,000	
Total	45,108,000	45,361,000

[1] In addition, $450,000 from funds previously appropriated.
[2] Report on need and support for proposed facility.
[3] Funds to complete project previously funded.

Wake Forest, North Carolina Center for Nutrition.—The $2,890,000 appropriated in fiscal year 1990 for Bowman-Gray shall be made available for planning the facility.

University of Texas Southwestern.—Of the $950,000 made available in the fiscal year 1989 Appropriations Act, $450,000 shall be made available to Texas A&M University for construction funding, and the remainder shall be made available to the University of Texas Southwestern for research equipment under the terms and conditions proposed by the Department.

Alternative Pest Management Research Facility.—The Committee is aware that there is a national need to expand and accelerate research to control exotic pests, such as the Mediterranean fruit fly. Such research, however, requires specialized containment and quarantine facilities, which are currently in short supply. For these reasons, the Committee has provided funds for a study on the need for such a facility, to be jointly funded with the State of California.

EXTENSION SERVICE

1990 appropriation	[1] $369,180,000
1991 budget estimate	345,676,000
Provided in the bill	393,877,000
Comparison:	
1990 appropriation	+24,697,000
1991 budget estimate	+48,201,000

[1] Reflects sequester of $2,777,000 pursuant to P.L. 99-177.

Cooperative agricultural extension work was established by the Smith-Lever Act of May 8, 1914, as amended. The legislation authorized the Department of Agriculture to give, through the land-grant institutions, instruction and practical demonstrations in agricultural and home economics and related subjects, and to encourage the application of such information by means of demonstrations, publications, and otherwise to persons not attending or a resident in the colleges. In addition, the Service provides nutrition training in poverty areas, 4-H Club work, and educational assistance, such as Community Resource Development.

COMMITTEE PROVISIONS

For payments under the Smith-Lever Act the Committee has provided $253,858,000, an increase of $11,586,000 above the amount available for fiscal year 1990 and $7,323,000 above the budget request.

For payments to the 1890 land-grant colleges and Tuskegee University the Committee has provided $22,880,000, an increase of $1,044,000 above the amount available for fiscal year 1990 and $212,000 below the budget request.

For construction of extension facilities of the 1890 land-grant colleges and Tuskegee University the Committee has provided $9,508,000, $71,000 abcve the amount available for fiscal year 1990 and the same as the budget request.

For the expanded food and nutrition education program the Committee has provided a total funding level of $60,525,000, $1,890,000 above the amount available for fiscal year 1990 and an increase of $38,925,000 above the budget request.

For section 3(d) grants under the Smith-Lever Act the Committee has provided the following funding levels: $7,450,000 for pest management; $10,375,000 for water quality; $970,000 for farm safety; $3,640,000 for urban gardening; $3,080,000 for pesticide impact assessment; $750,000 for financial management and counseling; $950,000 for the Rural Development Centers; $1,500,000 for food safety; and $7,500,000 for the Youth-at-Risk Program. Within the total for the Youth-at-Risk Program, $210,000 is for the joint outreach program between Southwest State University and the Minnesota Extension Service.

For extension programs in the District of Columbia the Committee has provided $991,000, $45,000 above the amount available for fiscal year 1990 and $9,000 below the budget request.

Public Law 100-219 provides for Extension Service grants for educational and counseling programs for farmers who have been adversely affected by the current farm and rural economic crisis and those displaced from farming. For matching grants under this section the Committee has provided $1,750,000, $1,525,000 below the amount available for fiscal year 1990 and an increase of $1,750,000 above the budget request. These grants are available for pilot programs now underway in the States of Nebraska, Iowa, Missouri, North Dakota, Kansas, Oklahoma, Mississippi, and Vermont.

The Committee will expect that funds provided to the State of Nebraska will be used for the Rural Revitalization Program which assists financially troubled and disadvantaged farmers/ranchers and communities in rural development initiatives in accordance with the provisions of the law.

In carrying out the farm safety program, the Committee will expect the Department to use the funds provided for, among other purposes, conducting studies in tractor cab safety systems, tractor power train design, retrofit studies and programs; human factor studies on how farm equipment operators perceive the stability or instability of their equipment; value assessments of automatic machinery shut-off systems; monitoring injuries and fatalities suffered by farm workers involving farm equipment or machinery, agricultural chemicals, livestock, and farm buildings; and providing information and training to reduce farm-related injuries and deaths, reduce and prevent noise induced hearing losses, and rehabilitate agricultural workers with physical disabilities.

The Committee also believes that all farm safety studies should differentiate between agriculture-related employment accidents and those that are not related to agricultural employment.

FEDERAL ADMINISTRATION

For Federal administration and coordination of the Cooperative Extension Service the Committee has provided $8,150,000, a decrease of $595,000 below the amount available for fiscal year 1990 and an increase of $2,453,000 above the budget request. Included in this total are the following: $5,181,000 for general administration; $333,000 to maintain the technology transfer projects in Oklahoma and Mississippi; $200,000 to restore the pilot project on rural development in the State of Nebraska, which brings together the Extension Service, producers and the financial community in an effort to

operate a comprehensive rural development program; $433,000 to restore the program established seven years ago, which is designed to encourage extension type initiatives in the field of rural development to foster cooperation among nonprofit entities and state and local governments, private individuals, and corporations for the creation of new job opportunities in rural depressed areas of Oklahoma.

The Committee also has provided $70,000 for a grant to the University of Nebraska Cooperative Extension Service for the purpose of demonstrating the feasibility of the production and marketing of crambe and rapeseed, the same as the amount available for fiscal year 1990.

The Committee has provided $650,000 for agricultural development in the American Pacific, the same as the amount available for fiscal year 1990. This program is designed to further the agricultural development of the U.S. territories in the Pacific Basin in an efficient manner through the coordination of research and resources.

The Committee has provided $149,000 to accelerate statewide implementation of a rural community revitalization program which has been developed and piloted by the Minnesota Extension Service starting in 1988.

The Committee has included funds within the Federal administration budget for an Extension apiarist at Wooster, Ohio, and $113,000 to expand the New England Vertebrate Damage Control Program in the University of Massachusetts Cooperative Extension Service in association with the animal damage control program of the Animal and Plant Health Inspection Service.

For a documentary film on Youth-at-Risk in rural areas, which is now under production, the Committee has provided $175,000, the same as the amount available for fiscal year 1990.

The Committee has also provided $146,000 for a rural rehabilitation project in Georgia. This project, first funded in fiscal year 1989, is carried out by the Center for Rehabilitation Technology at the Georgia Institute of Technology, the units of the State University, and the State Division of Rehabilitation Services.

The Committee has provided $500,000 for technical assistance and support for crop simulation technology developed by the Crop Science Laboratory of the Agricultural Research Service to continue the work which was begun in fiscal year 1990.

The Committee has also provided $50,000 to support an agricultural development strategy project for southern Kentucky.

The Committee also provides $150,000 for an Income Enhancement Demonstration Project in Ohio to be carried out through the Cooperative Extension Service. The purposes of this demonstration would be to work with individual farmers to research the use of alternative crops, as well as find new uses for current crops to add value; to organize individual farmers through the Farmers' Cooperative Association to expand its ability to directly market production from local farms, beginning with the Toledo Farmers' Market; to identify targeted food-related investments that can be made by groups of farmers to recapture income for farmers that is currently diverted away from them by food-related processing or distribution costs. In accomplishing this third objective, the Committee will

expect the Cooperative Extension Service to consult with the Ohio Ecological Food and Farm Association.

The Committee continues to believe in the benefits of the home sewing work done by the Extension Service. The total provided by the Committee includes funds to maintain the clothing and textile specialists and their programs. The Committee will also expect the Department to continue the Mississippi pilot project and, to the extent possible, expand the program to South Carolina and Alabama.

The Committee will expect the Department to provide technical assistance to state and local agencies involved in gleaning projects.

The Committee is aware of interest in a pilot satellite education program in Cambria, Somerset and Westmoreland Counties, Pennsylvania. The Committee expects the Department to review the proposal and submit a report to the Committee on this proposal.

National Agricultural Library

1990 appropriation	[1] $14,676,000
1991 budget estimate	15,773,000
Provided in the bill	16,373,000
Comparison:	
1990 appropriation	+1,697,000
1991 budget estimate	+600,000

[1] Reflects sequester of $207,000 pursuant to P.L. 99-177.

The Organic Act of 1862, establishing the Department of Agriculture, set forth a basic mission "to acquire and to diffuse among the people of the United States useful information on subjects connected with agriculture in the most general and comprehensive sense of the word," and placed upon the Secretary the responsibility to "procure and preserve all information concerning agriculture which he can obtain by means of books. . . ." The National Agriculture Library was established in the same year by the first Commissioner of Agriculture.

The Library works closely with the Library of Congress and the National Library of Medicine to fulfill the functions of a national library for the United States.

COMMITTEE PROVISIONS

For the National Agricultural Library the Committee provides an appropriation of $16,373,000, an increase of $1,697,000 above the amount available for fiscal year 1990 and $600,000 above the budget request.

To expand the Biotechnology Information Center the Committee has provided an increase of $250,000. To begin work on the backlog of capital improvements and replacements, as noted on page 602, Part 3 of the fiscal year 1991 Committee hearings, the Committee has provided $350,000. The Committee expects the National Agricultural Library to provide an appropriate level of support for the activities of the Leflar School of Law. The Committee is aware of the proposal to coordinate the program at Leflar with the program at Drake University. The Committee expects the Department to cooperate with this proposal.

Office of the Assistant Secretary for Marketing and Inspection Services

1990 appropriation	[1] $422,000
1991 budget estimate	[2] 497,000
Provided in the bill	497,000
Comparison:	
1990 appropriation	+75,000
1991 budget estimate	

[1] Reflects sequester of $5,000 pursuant to P.L. 99-177.
[2] The 1991 budget proposed that this activity be funded in a single account under the Office of the Secretary.

The Office of the Assistant Secretary for Marketing and Inspection Services provides direction and coordination in carrying out laws enacted by the Congress with respect to the Department's marketing, inspection, and standardization related to grain; competitive marketing practices of livestock, meat and poultry, meat and poultry products, marketing orders and various programs; veterinary services; plant protection and quarantine. This Office has oversight and management responsibilities for the Animal and Plant Health Inspection Service, Agricultural Marketing Service, Agricultural Cooperative Service, Food Safety and Inspection Service, Federal Grain Inspection Service, Packers and Stockyards Administration, and Office of Transportation.

COMMITTEE PROVISIONS

For the Office of the Assistant Secretary for Marketing and Inspection Services the Committee provides an appropriation of $497,000, an increase of $75,000 above the amount available for fiscal year 1990 and the same as the budget request.

Animal and Plant Health Inspection Service

SALARIES AND EXPENSES

1990 appropriation	[1] $355,366,000
1991 budget estimate	367,950,000
Provided in the bill	380,266,000
Comparison:	
1990 appropriation	+24,900,000
1991 budget estimate	+12,316,000

[1] Reflects sequester of $4,816,000 pursuant to P.L. 99-177. Reflects supplemental appropriation of $8,000,000.

The Animal and Plant Health Inspection Service (APHIS) was established by the Secretary of Agriculture on April 2, 1972, under the authority of Reorganization Plan No. 2 of 1953 and other authorities. The major objectives of APHIS are to protect the animal and plant resources of the Nation from diseases and pests. These objectives are carried out under five major areas of activity, as follows:

1. *Pest and disease exclusion.*—The agency conducts inspection and quarantine activities at U.S. ports-of-entry to prevent the introduction of exotic animal and plant diseases and pests. The agency also participates in inspection, survey, and control activities in foreign countries to reinforce its domestic activities.

2. *Plant and animal health monitoring.*—The agency conducts programs to assess animal and plant health and to detect endemic and exotic diseases and pests.

3. *Pest and disease management programs.*—The agency carries out programs to control and eradicate infestations and animal diseases that threaten the United States; reduce agricultural losses caused by predatory animals, birds, and rodents; provide technical assistance to other cooperators such as states, counties, and farmer or rancher groups, and foundations; ensure compliance with interstate movement and other disease control regulations within the jurisdiction of the agency.

4. *Animal care.*—The agency conducts regulatory activities which ensure the humane care and treatment of animals and horses as required by the Animal Welfare and Horse Protection Acts. These activities include inspection of certain establishments which handle animals intended for research, exhibition, and as pets, and monitoring of certain horse shows.

5. *Scientific and technical services.*—The agency performs other regulatory activities, including the development of standards for the licensing and testing of veterinary biologicals to ensure their safety and effectiveness; diagnostic activities in support of the control and eradication programs in other functional components; applied research aimed at reducing economic damage from vertebrate animals; development of new pest and animal damage control methods and tools; and regulatory oversight of genetically engineered products.

COMMITTEE PROVISIONS

For salaries and expenses of the Animal and Plant Health Inspection Service the Committee provides an appropriation of $380,266,000, an increase of $24,900,000 above the amount available for fiscal year 1990 and $12,316,000 above the budget request.

The following table reflects the amounts provided by the Committee for the activities of the Animal and Plant Health Inspection Service for the arrest and eradication of contagious or infectious diseases or pests of animals, poultry, or plants.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

[In thousands of dollars]

	Fiscal year 1990 enacted	Fiscal year 1991 request	House bill
Pest and disease exclusion:			
Africanized bee	1,916		1,500
Agricultural quarantine inspection	64,615	74,969	71,268
Foot-and-mouth disease	3,011	3,924	3,818
Import-export inspection	8,486	9,001	8,929
International programs	4,238	4,492	4,238
Mediterranean fruit fly	9,729	10,431	12,181
Mexican fruit fly	1,504	1,745	1,745
Screwworm	31,607	33,391	33,391
Subtotal, Pest and disease exclusion	125,106	137,953	137,070

ANIMAL AND PLANT HEALTH INSPECTION SERVICE—Continued

[In thousands of dollars]

	Fiscal year 1990 enacted	Fiscal year 1991 request	House bill
Plant and animal health monitoring:			
Animal disease detection	5,320	9,256	8,335
Pest detection	3,717	4,140	4,059
Subtotal, Plant and animal health monitoring	9,037	13,396	12,394
Pest and disease management programs:			
Animal damage control—operations	22,081	24,288	24,288
Animal health compliance and enforcement	14,493	12,354	12,354
Biocontrol	5,482	7,344	6,446
Boll weevil	12,841	9,816	13,135
Brucellosis eradication	61,927	64,553	64,553
Cattle ticks	6,172	4,460	6,172
Citrus canker		1,264	1,264
Golden nematode	761	808	808
Grasshopper and Mormon cricket	10,385	6,078	3,850
Reserve fund	4,932		5,000
Gypsy moth	4,601	4,877	4,877
Honey bee pests	351	502	502
Imported fire ant	4,232	1,552	4,232
Miscellaneous plant and animal diseases	2,342	3,282	2,436
National poultry improvement plan	216	229	229
Noxious weeds	842	589	589
Pink bollworm	1,302	1,010	2,800
Poultry diseases	634	673	673
Pseudorabies	4,492	3,075	5,492
Russian wheat aphid	898		898
Scrapie	1,085		846
Swine health protection	3,220	3,417	3,319
Tuberculosis	3,453	3,654	3,554
Witchweed	4,857	5,144	5,144
Subtotal, Pest and disease management programs	171,599	158,969	173,461
Animal care:			
Animal welfare	7,464	8,688	9,688
Horse protection	159	359	359
Subtotal, Animal welfare	7,623	9,047	10,047
Scientific and technical services:			
ADC methods development	7,326	7,763	8,763
Biotechnology	4,685	6,518	5,697
Plant methods development	4,823	5,499	5,499
Veterinary biologics	8,523	9,507	9,165
Veterinary diagnostics	12,201	14,798	13,670
Subtotal, Scientific and technical services	37,558	44,085	42,794
Contingency fund	4,443	4,500	4,500
Total, Salaries and expenses	355,366	367,950	380,266

Specific accounts for methods development have been established for fiscal year 1991. For comparison purposes the fiscal year 1990 activities are adjusted to reflect new accounts.

Africanized Bee.—For the Africanized bee program the Committee has provided $1,500,000. The budget request proposed to terminate this activity. Funds provided in fiscal year 1991 should be used to continue to slow the northern migration of the bee. In par-

ticular, funds should be used to eradicate early arriving pioneer swarms.

Agricultural Quarantine Inspection.—For the agricultural quarantine inspection program the Committee has provided $71,268,000. Included in the amount is $205,000 for the purchase of additional electronic baggage inspection equipment for use in Hawaii airports. The Committee will expect APHIS to continue its existing policy of providing federally mandated inspections of cargo in Hawaii at no charge.

The Miami International Airport has experienced significant increases in passenger volume and cargo tonnage yearly. Recent expansion of the airport has created a need for additional inspection personnel. The Committee expects APHIS to provide additional personnel to maintain adequate service to industry and the travelling public. This is necessary to safeguard the Nation's agriculture industry from foreign plant and animal pests and diseases.

Mediterranean Fruit Fly.—Continuing outbreaks of the Mediterranean fruit fly in California and Florida threaten over $4,600,000,000 of estimated crop values. Lack of an adequate supply of sterile flies hampers the ability of USDA to effectively combat this pest. The Committee has provided $12,181,000 for the Mediterranean fruit fly program. The increase is provided to expedite bringing the Waimanalo Sterile Fruit Fly Rearing Facility to full production levels. Included within the amount provided is $400,000 for the cost of releasing sterile flies for the test eradication project on Kauai, Hawaii. The Committee expects APHIS to provide approximately 50 million sterile flies per week for the Kauai project.

Animal Damage Control.—For the animal damage control program the Committee has provided $24,288,000, the same as the budget request. Included within the amount are funds to continue previous projects as part of the base programs. As in the past, the Committee expects operation activities of ADC to be cost-shared with non-Federal participants. For ADC methods development the Committee has provided $8,763,000. Additional funds will be used for registration activities related to vertebrate pesticides. Not less than $500,000 will be directed to research on nonlethal methods of ADC. The Committee expects additional assistance to be provided to eastern and southern states with consideration given to the needs of the State of Arkansas.

Animal Welfare.—For the animal welfare program the Committee has provided $9,688,000, an increase of $1,000,000 above the budget request. The Animal Welfare Act mandates the establishment of minimum standards for the humane care, housing, handling and transportation of animals. The Committee fully supports the animal welfare inspection program but is very concerned about the impact that implementation of the 1985 amendments to the Animal Welfare Act will have. The Committee expects APHIS to incorporate performance based standards into its regulations when such performance standards would not interfere with the establishment of a minimal level of care or the enforceability of the Act or regulations.

Brucellosis Eradication.—For the brucellosis eradication program the Committee has provided $64,553,000, the same as the budget request. The Committee is encouraged by the progress in the eradica-

tion of brucellosis. There is some concern that as states are declared free, APHIS support in those states may be reduced to less than effective levels. In providing resources within states, the Committee expects APHIS to maintain levels of support to each location to prevent any regression in the program.

Cattle Tick.—The Committee has restored the appropriation of $6,172,000 for the cattle tick program. The Committee provides funds to continue the Puerto Rico eradication project. The Committee is concerned about setbacks to the project as a result of Hurricane Hugo and, in general, poor progress toward eradication. The Committee makes available to APHIS $10,825,000, by transfer from the nutrition assistance program, for Puerto Rico. This is the same amount of funding used by the Commonwealth for this project in fiscal year 1990.

Noxious Weeds.—For the noxious weeds program the Committee has provided $589,000, the same as the budget request. Included within this total is up to $100,000 to continue the hydrilla control program in Imperial Valley, California.

Pink Bollworm.—The pink bollworm is a serious problem for western cotton production which lowers quality, reduces yields and increases production costs. A cooperative grower-Federal-state program involving sterile moth technology and other natural control methods has been very successful. The Committee has provided $2,800,000 for the pink bollworm program. This includes an increase of $1,500,000 to begin replacing obsolete and outdated APHIS equipment at a new sterile moth rearing facility recently purchased by the growers.

BUILDINGS AND FACILITIES

1990 appropriation	[1] $13,385,000
1991 budget estimate	25,396,000
Provided in the bill	21,396,000
Comparison:	
1990 appropriation	+8,011,000
1991 budget estimate	−4,000,000

[1] Reflects sequester of $37,000 pursuant to P.L. 99-177.

The buildings and facilities account was established for repair and improvement of existing facilities, and for construction of small buildings such as greenhouses.

COMMITTEE PROVISIONS

For the APHIS buildings and facilities account the Committee provides an appropriation of $21,396,000, an increase of $8,011,000 above the amount available for fiscal year 1990 and a decrease of $4,000,000 below the budget request.

In addition to routine maintenance of buildings and facilities, funds are provided to complete the first phase of the National Germ Plasm Quarantine Facility and for the APHIS share of the Plum Island Animal Disease Center. Since transferring animal damage control activities from the Department of the Interior to the Department of Agriculture, the Committee has provided significant increases to the Denver Wildlife Research Center. The Committee has deferred funding for moving and constructing a new research center.

Food Safety and Inspection Service

1990 appropriation	[1] $421,298,000
1991 budget estimate	440,882,000
Provided in the bill	440,882,000
Comparison:	
1990 appropriation	+19,584,000
1991 budget estimate	

[1] Reflects sequester of $5,901,000 pursuant to P.L. 99-177. Reflects supplemental appropriation of $4,400,000.

The Food Safety and Inspection Service was established on June 17, 1981, by Secretary's Memorandum No. 1000-1, issued pursuant to Reorganization Plan No. 2 of 1953.

The major objectives of the Service are to assure that meat and poultry products are wholesome, unadulterated, and properly labeled and packaged, as required by the Federal Meat Inspection Act and the Poultry Products Inspection Act.

Legislation was enacted in 1986 to amend the continuous inspection requirements of the Federal Meat Inspection Act. The new Processed Products Inspection Improvement Act of 1986 gives the Secretary discretion to schedule inspections at processing plants based upon such criteria as the nature of the product produced and the plants' compliance histories.

The meat and poultry inspection program of the Food Safety and Inspection Service provides continuous in-plant inspection of all domestic plants preparing meat or poultry products for sale or distribution; reviews foreign inspection systems and establishments that prepare meat or poultry products for export to the United States; and provides technical and financial assistance to states which maintain meat and poultry inspection programs.

COMMITTEE PROVISIONS

For the Food Safety and Inspection Service the Committee provides an appropriation of $440,882,000 an increase of $19,584,000 above the amount available for fiscal year 1990 and the same as the budget request.

Federal Grain Inspection Service

1990 appropriation	$8,185,000
1991 budget estimate	10,443,000
Provided in the bill	9,706,000
Comparison:	
1990 appropriation	+1,521,000
1991 budget estimate	−737,000

The Federal Grain Inspection Service was established on November 20, 1976, pursuant to the U.S. Grain Standards Act, as amended (Public Law 94-582). The Service carries out grain inspection and weighing programs under this law and other programs under the authority of the Agricultural Marketing Act of 1946, including the inspection and grading of rice and grain-related products as they were assigned to the agency by the Secretary of Agriculture under the authority of Reorganization Plan No. 2 of 1953.

Through these marketing programs, the Service aids in advancing orderly and efficient marketing and effective distribution of grain and related products from the Nation's farms to domestic

and foreign buyers. This is accomplished through the development of standards of quality and condition and their use as a language of commerce. They permit trading among buyers and sellers who never see each other but who use these standards, which accurately describe the commodity, to buy or sell with complete understanding and assurance of what is being traded. The Service assures that these standards are applied in a fair and accurate manner and thereby promotes and protects such commerce.

The amended U.S. Grain Standards Act requires the Service to provide Federal or delegated state original inspection and weighing services at export ports and Federal supervision at all locations. The supervision program includes supervision at export ports by Federal inspectors and weighers, and licensed inspectors and weighers employed by 8 delegated state agencies. The agency supervises licensed inspection and weighing personnel employed by 79 designated state and private agencies performing nonexport services at interior locations. The inspection and weighing programs utilize Federal and delegated state personnel for the mandatory inspection and weighing of outbound grain at export ports, and for the permissive inspection and weighing of inbound grain at export ports. Federal personnel also carry out nationwide appeal inspections and the inspection of rice and other assigned commodities.

Under authority of the Omnibus Reconciliation Act of 1981, nearly all field services and most headquarters activities are financed from fees charged for services performed. Compliance and standardization activities, international monitoring, and the FGIS Advisory Committee are financed from appropriations.

The Grain Quality Improvement Act of 1986 was enacted on November 10, 1986, to improve the quality of U.S. grain by prohibiting the introduction and reintroduction of dockage and foreign material to grain.

COMMITTEE PROVISIONS

For the Federal Grain Inspection Service the Committee provides an appropriation of $9,706,000, an increase of $1,521,000 above the amount available for fiscal year 1990 and a decrease of $737,000 below the budget request. The Committee also has included a limitation on inspection and weighing services of $37,164,000, an increase of $824,000 above the amount available for fiscal year 1990 and the same as the budget request.

The bill includes authority to exceed the limitation on inspection and weighing services by 10 percent with notification to the Appropriations Committees. This allows for flexibility if export activities require additional supervision and oversight, or other uncontrollable factors occur.

AGRICULTURAL COOPERATIVE SERVICE

1990 appropriation	$4,714,000
1991 budget estimate	4,764,000
Provided in the bill	4,864,000
Comparison:	
1990 appropriation	+150,000
1991 budget estimate	+100,000

The Agricultural Cooperative Service (ACS) was reorganized from the cooperative functions of the Economics, Statistics and Cooperative Service (ESCS) pursuant to Secretary's Memorandum No. 2025, dated September 17, 1980. Prior to the establishment of ESCS in October 1977, these activities were performed by the Farmer Cooperative Service.

The Secretary has assigned to the Service: (1) functions under the Cooperative Marketing Act of 1926, and (2) functions that relate to the economic and marketing aspects of farmer cooperatives under the Agricultural Marketing Act of 1946.

ACS serves as the focal point of national activity involving agricultural cooperatives. The purpose of ACS is to help farmers help themselves by providing the assistance necessary to support and improve existing cooperatives and to help farmers organize new cooperatives.

The studies conducted by ACS, some through joint Federal/state efforts, are intended to provide farmers with information on financial, organizational, legal, social and economic aspects of cooperative activity. In today's rapidly changing economic environment, ACS provides technical advice to farmers to assist and support existing cooperatives and to help organize new cooperatives.

COMMITTEE PROVISIONS

For the Agricultural Cooperative Service the Committee provides an appropriation of $4,864,000, an increase of $150,000 above the amount available for fiscal year 1990 and $100,000 above the budget request.

Agricultural Marketing Service

MARKETING SERVICES

1990 appropriation	$33,171,000
1991 budget estimate	52,251,000
Provided in the bill	47,914,000
Comparison:	
1990 appropriation	+14,743,000
1991 budget estimate	−4,337,000

The Agricultural Marketing Service was established by the Secretary of Agriculture on April 2, 1972, under the authority of Reorganization Plan No. 2 of 1953, and other authorities. Through its marketing, consumer and regulatory programs, AMS aids in advancing orderly and efficient marketing and effective distribution of products from the Nation's farms.

Other programs administered by this agency include the market news services, payments to states for marketing activities, the Plant Variety Protection Act, the Federal administration of marketing agreements and orders, inspection, grading, classing and standardization services, and market protection and promotion. The fiscal year 1991 budget includes funding for pesticide residue testing for food safety.

COMMITTEE PROVISIONS

For marketing services the Committee provides an appropriation of $47,914,000, an increase of $14,743,000 above the amount avail-

able for fiscal year 1990 and a decrease of $4,337,000 below the budget request.

For a limitation on administrative expenses the Committee provides $40,162,000, an increase of $2,722,000 above the amount available for fiscal year 1990 and the same as the budget request.

The Committee provides $11,862,000 to assure the continued safety of the U.S. food supply. Such action is necessary in view of present measuring devices which can identify minute quantities as little as one part per trillion, which is of no consequence in protecting the Nation's food supply. The Committee realizes that in order for this program to be effective, and for the purpose of protecting safety and availability to consumers, the Secretary is expected to establish well-coordinated communications with other agencies.

The Committee provides $250,000 to further develop and expand the wholesale food industry in Chicago to modernize facilities and operations to improve the efficiency of the present system and provide for economic development and competitiveness.

The Committee expects the Agricultural Marketing Service to conduct an evaluation of the farmer's market in Toledo, including the need for promotional activities and facility expansion to improve the efficiency of the present system and to accommodate future growth.

The bill includes language to allow AMS to exceed the limitation on administrative expenses by 10 percent with notification to the Appropriations Committees. This allows flexibility in case crop size is understated and/or other uncontrollable events occur.

Funds for Strengthening Markets, Income, and Supply (Section 32)

The Act of August 24, 1935, appropriates 30 percent of all customs receipts for (a) encouraging exports of agricultural commodities, (b) encouraging domestic consumption of agricultural commodities by diversion to alternative outlets or by increasing their utilization, and (c) reestablishing the farmers' purchasing power.

The primary purpose of section 32 is to strengthen markets by buying up surplus perishable agricultural commodities to encourage continued adequate production.

The following table reflects the status of this fund for fiscal years 1989–1991:

ESTIMATED TOTAL FUNDS AVAILABLE FOR SEC. 32 ACTIVITIES AND THE ESTIMATED BALANCE CARRIED FORWARD, FISCAL YEARS 1989–91

Item	Fiscal year 1989 actual	Fiscal year 1990 revised estimate	Fiscal year 1991 revised estimate
Appropriation or estimate	$4,552,833,158	$4,799,509,749	$5,142,532,504
Unobligated balance available, start of year	116,867,619	132,717,240	289,820,672
Total available	4,669,700,777	4,932,226,989	5,432,353,176
Less transfers to:			
Food and Nutrition Service, Child Nutrition Programs	−4,093,272,000	−4,156,554,000	−4,696,501,000
Department of Commerce	−53,688,326	−61,935,317	−70,755,412
Total transfers	−4,146,960,326	−4,218,489,317	−4,767,256,412

ESTIMATED TOTAL FUNDS AVAILABLE FOR SEC. 32 ACTIVITIES AND THE ESTIMATED BALANCE CARRIED FORWARD, FISCAL YEARS 1989–91—Continued

Item	Fiscal year 1989 actual	Fiscal year 1990 revised estimate	Fiscal year 1991 revised estimate
Total available after transfer	522,740,451	713,737,672	665,096,764
Less total obligations	-390,023,211	-423,917,000	-365,097,000
Unobligated balance available, end of year	132,717,240	289,820,672	299,999,764

For fiscal year 1991, the appropriation has been revised, since the January Budget was published, based on actual calendar year 1989 receipts. In addition, the transfer to the Department of Commerce has also been revised from $61,900,000 to $70,755,412 based on the same customs receipts.

COMMITTEE PROVISIONS

For the marketing agreements and orders program the Committee provides for a transfer from section 32 funds of $8,255,000, an increase of $248,000 above the amount available for fiscal year 1990 and a decrease of $271,000 below the budget request.

The Committee emphasizes the law regarding section 32 allowing funds to be used for (a) encouraging exports of agricultural commodities, (b) encouraging domestic consumption of agricultural commodities by diversion to alternative outlets or by increasing their utilization, and (c) reestablishing the farmers' purchasing power. With the exception of the congressionally mandated program for sunflower and cottonseed oil in 1988, 1989, and 1990, section 32 has not been used since 1973 for export purposes. The Committee expects the Department to use the resources and authorities available from section 32 to promote the export of agricultural commodities.

PAYMENTS TO STATES AND POSSESSIONS

1990 appropriation	[1] $1,236,000
1991 budget estimate	942,000
Provided in the bill	1,250,000
Comparison:	
1990 appropriation	+14,000
1991 budget estimate	+308,000

[1] Reflects sequester of $14,000 pursuant to P.L. 99-177.

The Federal-State Marketing Improvement Program is designed to bridge the gap between research and its practical use by producers and marketing agencies, in addition to encouraging use of the best known and most effective marketing methods and practices by all parts of the marketing chain. It enables producers and marketing agencies to apply new and improved methods and practices which aid in expanding outlets of agricultural products, providing more reliable market data, improving producer bargaining strength, reducing deterioration and spoilage of farm products, moving seasonal commodity surpluses to their best market, increasing agricultural exports, and reducing marketing costs. This benefits consumers by helping to keep retail prices down and improving the availability of fresh and wholesome foods. The program also

furthers the development of improvements in marketing services through experimentation with new methods and procedures.

Federal payments, authorized by section 204(b) of the Agricultural Marketing Act of 1946, are made under cooperative agreements between the U.S. Department of Agriculture and State Departments of Agriculture, and similar state agencies. These agreements provide for eligible marketing service activities on a matching fund basis. The states contribute at least half of the cost and perform the work with state personnel.

The amount of the Federal payment to a state is based upon an evaluation of the relative urgency of the marketing problems confronting the producers, shippers and marketing agencies in the state, the probable effectiveness of the plan proposed by state specialists for solving or alleviating the problems, the capability of state personnel to aid markets in carrying out the proposed program, and the availability of Federal matching funds.

COMMITTEE PROVISIONS

For payments to states and possessions the Committee provides an appropriation of $1,250,000, an increase of $14,000 above the amount available for fiscal year 1990 and $308,000 above the budget request.

OFFICE OF TRANSPORTATION

1990 appropriation	$2,397,000
1991 budget estimate	2,429,000
Provided in the bill	2,429,000
Comparison:	
1990 appropriation	+32,000
1991 budget estimate	

The Office of Transportation was established by Secretary's Memorandum No. 1966, dated December 12, 1978. The transportation programs of the Department are carried out under the authority of (1) Agricultural Marketing Act of 1946, (2) Agricultural Adjustment Act of 1938, (3) Agricultural Trade and Assistance Act of 1954, and (4) International Carriage of Perishable Foodstuff Act of 1982.

These activities are designed to assure that the transportation system will adequately serve the agricultural and rural areas of the United States and will provide the services necessary to assure that residents of these areas have adequate facilities for the movement of people and agricultural commodities.

The main areas of responsibility are providing technological research, development, and demonstrations in agricultural transport equipment and facilities participation and transportation regulatory actions before various Federal agencies, and providing analyses to enable the Department of Agriculture to develop policy recommendations for addressing current or anticipated problems in agricultural transportation.

COMMITTEE PROVISIONS

For the Office of Transportation the Committee provides an appropriation of $2,429,000, an increase of $32,000 above the amount available for fiscal year 1990 and the same as the budget request.

The Office of Transportation has issued several reports concerning rural roads and bridges. Some of the findings from these reports include the following: rural roads and bridges account for about 81 percent of the Nation's total number; over one-third of rural mileage maintained by local jurisdictions is not considered in good condition; about one-half of the rural bridges, 20 feet or greater in length, meet minimum tolerable limits; and given current financial resources, it is questionable whether many rural governments are able to adequately maintain existing mileage and bridges.

PACKERS AND STOCKYARDS ADMINISTRATION

1990 appropriation	$9,562,000
1991 budget estimate	10,687,000
Provided in the bill	10,687,000
Comparison:	
1990 appropriation	+1,125,000
1991 budget estimate	

The Packers and Stockyards Administration was reestablished on June 17, 1981, in accordance with Secretary's Memorandum No. 1000-1, issued pursuant to Reorganization Plan No. 2 of 1953. Packers and Stockyards activities were formerly performed by the Agricultural Marketing Service.

The goal of this program is to assure fair play in the marketing of livestock, meat, and poultry. Its principal purpose is to maintain effective competition for livestock, meat, and poultry marketing in order to assure that farmers and ranchers receive the true market value for their livestock and poultry. Consumers and members of the livestock, poultry, and meat industries are also protected against unfair business practices in the marketing of meat and poultry, and from restrictions on competition which would unduly increase meat and poultry prices. The agency also carries out the Secretary's responsibilities under section 1324 of the Food Security Act of 1985 covering "central filing systems" established by states for prenotification of security interests against farm products.

In 1987 the P&SA Act was amended to provide financial protection to poultry growers and sellers, and to clarify Federal jurisdiction under the Act. The Act is cited as the Poultry Producers Financial Protection Act of 1987.

COMMITTEE PROVISIONS

For the Packers and Stockyards Administration the Committee provides an appropriation of $10,687,000, an increase of $1,125,000 above the amount available for fiscal year 1990 and the same as the budget request.

Farm Income Stabilization

Office of the Under Secretary for International Affairs and Commodity Programs

1990 appropriation	[1] $414,000
1991 budget estimate	[2] 506,000
Provided in the bill	506,000
Comparison:	
1990 appropriation	+92,000
1991 budget estimate	

[1] Reflects sequester of $5,000 pursuant to P.L. 99-177.
[2] The 1991 budget proposed that this activity be funded in a single account under the Office of the Secretary.

The Office of the Under Secretary for International Affairs and Commodity Programs provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department's international affairs (except for foreign economics development) and commodity programs. The Office has oversight and management responsibilities for the Foreign Agricultural Service; Agricultural Stabilization and Conservation Service, including the Commodity Credit Corporation; and the Office of International Cooperation and Development.

COMMITTEE PROVISIONS

For the Office of the Under Secretary for International Affairs and Commodity Programs the Committee provides an appropriation of $506,000, an increase of $92,000 above the amount available for fiscal year 1990 and the same as the budget request.

Agricultural Stabilization and Conservation Service

The Agricultural Stabilization and Conservation Service was established by the Secretary of Agriculture on June 5, 1961, under the authority of Reorganization Plan No. 2 of 1953, in accordance with the Reorganization Act of 1949, as amended (5 U.S.C. 901-913). The Service carries on the following principal programs from appropriated funds:

Production adjustment program.—The Agricultural Act of 1949, as amended, mandates production adjustment programs for wheat, cotton, and rice when carryover stocks are at specified levels. The Food Security Act of 1985, approved on December 23, 1985, sets farm policy through the 1990 crops. The Agricultural Adjustment Act of 1938, as amended, authorizes program parameters for tobacco and peanuts.

Designed to give farmers and ranchers the opportunity to earn incomes that are comparable with returns elsewhere in the economy, the program objectives include:

1. The maintenance of national aggregate net farm income at levels sufficient to ensure investment in agriculture necessary to utilize production capacity within environmental constraints;

2. The development of agriculture policy and programs so that family farms will be strengthened and will provide adequate levels of net income per farm;

3. The support of efforts to strengthen farmers' power to bargain in the sale of farm products and the purchase of farm inputs; and

4. The continuation of the requirement for the maintenance of farmer-held and controlled grain reserves to aid in orderly marketing, and for humanitarian use.

The 1985 Act continues the $50,000 limitation on deficiency and diversion payments and sets an overall limitation of $250,000 which includes disaster and emergency compensation payments and marketing loan gains. Neither limitation applies to support loans or purchases available to eligible program participants, except when a marketing loan is applicable.

Commodity Credit Corporation program activities.—Various price support and related programs have been authorized in numerous legislative enactments since the early 1930's. Operations under these programs are financed through the Commodity Credit Corporation. Personnel and facilities of the Agricultural Stabilization and Conservation Service are utilized in the administration of the Commodity Credit Corporation, and the Administrator of the Service is also Executive Vice President of the Corporation.

Foreign assistance programs and other special activities.—Various surplus disposal programs and other special activities are conducted pursuant to specific statutory authorizations and directives. These laws authorize the use of CCC funds and facilities to implement the programs. Appropriations for these programs are transferred or paid to the Corporation for its costs incurred in connection with these activities, such as Public Law 480 and the National Wool Act.

SALARIES AND EXPENSES

	Transfer from CCC
1990 appropriation	($623,732,000)
1991 budget estimate	(630,406,000)
Provided in the bill	(630,406,000)
Comparison:	
1990 appropriation	(+6,674,000)
1991 budget estimate	

[1] Reflects sequester of $8,856,000 pursuant to P.L. 99-177.

COMMITTEE PROVISIONS

For salaries and expenses of the Agricultural Stabilization and Conservation Service the Committee provides that $630,406,000 be transferred from the Commodity Credit Corporation, an increase of $6,674,000 above the amount available for fiscal year 1990 and the same as the budget request.

DAIRY INDEMNITY PROGRAM

1990 appropriation	$5,000
1991 budget estimate	
Provided in the bill	5,000
Comparison:	
1990 appropriation	
1991 budget estimate	+5,000

The authorization for this program was extended through September 30, 1990, by the Food Security Act of 1985, to indemnify

dairy farmers and manufacturers of dairy products who, through no fault of their own, suffer income losses on milk or milk products removed from commercial markets because such milk or milk products suffer contamination from registered pesticides. The program also authorizes indemnity payments to dairy farmers for losses resulting from the removal of cows or dairy products from the market due to nuclear radiation or fallout and residues of chemicals or toxic substances which may or may not result from the use of registered pesticides.

COMMITTEE PROVISIONS

For the dairy indemnity program the Committee provides an appropriation of $5,000, the same as the amount available for fiscal year 1990 and $5,000 above the budget request. The Committee rejects the budget proposal to terminate this program.

CORPORATIONS

FEDERAL CROP INSURANCE CORPORATION

ADMINISTRATIVE AND OPERATING EXPENSES

1990 appropriation	[1] $237,694,000
1991 budget estimate	314,429,000
Provided in the bill	101,579,000
Comparison:	
1990 appropriation	−136,115,000
1991 budget estimate	−212,850,000

[1] Reflects sequester of $2,932,000 pursuant to P.L. 99-177. Reflects supplemental appropriation of $15,000,000

The Federal Crop Insurance Corporation is a wholly-owned corporation created February 16, 1938, to carry out the Federal Crop Insurance Act. Its purpose is to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance, and providing the means for research and experience helpful in devising and establishing such insurance.

Crop insurance offered to agricultural producers by the Corporation provides protection from losses caused by unavoidable natural hazards, such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

The Federal Crop Insurance Act was amended by Public Law 96-365, which was signed into law on September 26, 1980. This legislation substantially increases the scope and importance of this program. The Corporation has expanded the rate of crop insurance coverage in order to provide a nationwide crop insurance program which is intended to become the primary form of Federal disaster protection for farmers, replacing previous disaster programs.

COMMITTEE PROVISIONS

For administrative and operating expenses of the Federal Crop Insurance Corporation the Committee provides $101,579,000, a decrease of $136,115,000 below the amount available for fiscal year 1990 and $212,850,000 below the budget request.

The Administration proposes to terminate the crop insurance program. In testimony before the Committee, the Under Secretary stated, "Producers have * * * rejected the product as inadequate, complicated and expensive." Since 1980 the program indemnity costs have exceeded premium income by over $2.3 billion. The acting administrator testified that if the insurance program is offered for fiscal year 1991 as is currently operated, costs would be around $1 billion for the year.

The Committee is aware of the need for farmers to have some protection against disaster and believes that many of the problems associated with the operation are correctable. In some locations the program has worked well. For instance, in Nebraska it is generally considered a good risk management tool and farmer participation levels in some counties have reached a level as high as 92 percent.

Policies for crop year 1991 crops, such as citrus, sugarcane and winter wheat, have already been sold. The Committee provides funding of administrative and operating expenses for FCIC to cover Federal contractual obligations to producers and agents on all policies sold prior to September 30, 1990. The Committee can no longer support excessive Federal expenditures for the crop insurance program. The Committee has repeatedly cautioned the Corporation on its approach to management of the program. The Committee will expect the Corporation to discontinue issuing new policies after September 30, 1990, until such time as major revisions are made to provide for long-term risk management protection.

FCIC FUND

1990 appropriation	$162,939,000
1991 budget estimate	286,693,000
Provided in the bill	162,939,000
Comparison:	
1990 appropriation	.....
1991 budget estimate	−123,754,000

The Federal Crop Insurance Act of 1980 authorizes the payment of a Federal subsidy of up to 30 percent of the adjusted insurance premium paid by agricultural producers participating in the program. Subsidies will be paid by the Corporation based upon 30 percent of each producer's premium (reduced, where applicable, for hail and fire exclusion or state agency subsidy) on any coverage under the Corporation's policy of insurance of up to a maximum of 65 percent of the recorded or appraised average yield, as adjusted. This Federal subsidy reduces the participating producer's cost of insuring against loss and encourages the broadest possible participation of agricultural producers in the program.

COMMITTEE PROVISIONS

For the Federal Crop Insurance Corporation Fund the Committee provides an appropriation of $162,939,000, the same as the amount available for fiscal year 1990 and $123,754,000 below the budget request.

The funding provided should cover subsidies on those policies sold prior to September 30, 1990.

COMMODITY CREDIT CORPORATION

The Corporation was organized October 17, 1933, under the laws of the State of Delaware, as an agency of the United States, and was managed and operated in close affiliation with the Reconstruction Finance Corporation. On July 1, 1939, it was transferred to the Department of Agriculture by the President's Reorganization Plan No. 1. On July 1, 1948, it was established as an agency and instrumentality of the United States under a permanent Federal charter by Public Law 80-806, as amended. Its operations are conducted pursuant to this charter and other specific legislation.

The Commodity Credit Corporation engages in buying, selling, lending, and other activities with respect to agricultural commodities, their products, food, feeds, and fibers. Its purposes include stabilizing, supporting, and protecting farm income and prices; assisting in the maintenance of balance and adequate supplies of such commodities; and facilitating their orderly distribution. The Corporation also makes available materials and facilities required in connection with the production and marketing of such commodities.

Activities of the Corporation are governed by the Agricultural Act of 1949, as amended, and the charter of the Commodity Credit Corporation. The Food Security Act of 1985 authorizes commodity and other programs for crop years 1986 through 1990.

The Act requires support of 1986-1990 crops of sugar beets and sugarcane. The soybean loan support program is continued. Dual pricing and poundage quotas continue for peanuts, and acreage allotments continue to be suspended. The farmer-owned reserve program is continued and required for both wheat and feed grains.

The 1985 Act continues the dual target price and loan rate system, providing price and income support protection to farmers. Target prices are used to establish a basis for deficiency payments to producers who participate in the wheat, feed grains, cotton and rice programs. Deficiency payments for each of these commodities are required when the target price for the commodity exceeds the national average market price or the loan rate, whichever is higher.

The 1985 Act introduces the concept of marketing loans. Under certain circumstances, producers may repay non-recourse commodity loans at less than the original loan rate. As an adjunct to the marketing loan, producers who choose not to place their crop under loan may still receive a loan deficiency payment, or the difference between the nominal loan rate and the lower repayment rate whenever marketing loans are in effect. The implementation of marketing loans is discretionary in the case of wheat, feed grains and honey and required for rice and upland cotton under current market conditions.

The 1985 Act continues, but modifies, the authority of the Secretary to require a reduction in the acreage planted for wheat, feed grains, cotton and rice if it is determined that supplies will otherwise be excessive.

Authorities to reduce acreage planted to crops when supplies are excessive continue in the 1985 Act. However, in contrast to the discretionary aspects of the 1981 Act, specific programs are required when stocks are expected to exceed certain levels.

The 1985 Act substantially revises the method by which program yields and acreage bases are computed for a farm. It is more difficult under the 1985 Act to increase both of these determinants of deficiency payments. Also, deficiency payments on a participating farm are no longer tied directly to planted acreage, as they had been under earlier laws. Farmers who comply with acreage reduction requirements may now receive deficiency payments on other lands within the crop acreage base which are devoted to conserving use as long as they plant 50 percent or more of the permitted acreage to the program crop for upland cotton and rice. No planting requirements apply to wheat and feed grains.

The 1985 Act establishes a conservation reserve program to assist owners and operators of highly erodible land in conserving and improving soil and water resources. Erodible land will enter the reserve during the 1986–1990 crop years and will remain in the reserve for 10 years. Sodbuster and swampbuster provisions prevent farm program benefits to producers who place fragile lands in production.

The 1985 Act also established a voluntary 18-month program beginning April 1, 1986, under which producers could bid for contracts which, if accepted, would pay a producer to terminate milk production for a period of 3 to 5 years by selling for export or slaughter all dairy cattle owned by the producer. In turn, the producer would agree to remain out of the dairy business for the period specified in the contract.

The 1985 Act contemplated that 12 billion pounds of production capacity would be removed under this program. Assessments on milk marketings were mandated to help pay the compensation to producers who cease operations under the program.

The 1985 Act provides for reductions in the support price of milk if surplus production is not lessened. The support price dropped to $10.60 per hundredweight on January 1, 1988. The support price would have dropped to $10.10 on January 1, 1989, but for the Disaster Assistance Act of 1988, which mandated it be held at $10.60 except for a temporary increase to $11.10 from April 1 through June 30, 1989. On January 1, 1990, the support price dropped to $10.10 per hundredweight because net CCC purchases of surplus dairy products are projected to exceed 5 billion pounds during calendar year 1990.

The Corporation is managed by a board of directors appointed by the President and confirmed by the Senate, subject to the general supervision and direction of the Secretary of Agriculture, who is ex officio, a director and chairman of the board. The board consists of six members in addition to the Secretary who are designated according to their positions in the Department of Agriculture.

Personnel and facilities of the Agricultural Stabilization and Conservation Service, ASC state and county committees, and other USDA agencies are used to carry out Corporation activities. Funds are transferred from the Corporation to ASCS to pay the cost of ASCS employees, as authorized by the charter of the Corporation.

The Corporation has an authorized capital stock of $100 million held by the United States and authority to borrow up to $30 billion. The fiscal year 1988 Appropriations Act, Public Law 100–202, increased the statutory borrowing authority from $25 billion to $30

billion. Funds are borrowed from the Federal Treasury and may also be borrowed from private lending agencies.

The specific powers (15 U.S.C. 714c) of the Commodity Credit Corporation are as follows:

In the fulfillment of its purposes and in carrying out its annual budget programs submitted to and approved by the Congress pursuant to chapter 91 of title 31, the Corporation is authorized to use its general powers only to—

(a) Support the prices of agricultural commodities through loans, purchases, payments, and other operations.

(b) Make available materials and facilities required in connection with the production and marketing of agricultural commodities.

(c) Procure agricultural commodities for sale to other government agencies, foreign governments, and domestic, foreign or international relief or rehabilitation agencies, and to meet domestic requirements.

(d) Remove and dispose of or aid in the removal or disposition of surplus agricultural commodities.

(e) Increase the domestic consumption of agricultural commodities by expanding or aiding in the expansion of domestic markets or by developing or aiding in the development of new and additional markets, marketing facilities, and uses for such commodities.

(f) Export or cause to be exported, or aid in the development of foreign markets for, agricultural commodities.

(g) Carry out such other operations as the Congress may specifically authorize or provide for.

REIMBURSEMENT FOR NET REALIZED LOSSES

1990 appropriation	$4,233,000,000
1991 budget estimate	6,100,000,000
Provided in the bill	5,000,000,000
Comparison:	
1990 appropriation	+767,000,000
1991 budget estimate	−1,100,000,000

If necessary to perform the functions, duties, obligations or commitments of the Commodity Credit Corporation, administrative personnel and others serving the Corporation shall be paid from funds on hand or from those funds received from the redemption or sale of commodities. Such funds shall also be available to meet program payments, commodity loans, or other obligations of the Corporation.

COMMITTEE PROVISIONS

The President's budget for the Commodity Credit Corporation is based on the following estimated program levels:

CCC NET EXPENDITURES

[Outlays and receipts by expenditure category, in thousands of dollars]

Item	Fiscal year—		
	1989 actual	1990 estimated	1991 estimated
Outlays:			
Loans:			
Commodity	7,067,551	6,632,574	7,262,362
Storage Facilities	189		
Export Guarantee Claims	4,437	251,344	191,910
Purchases	1,098,233	831,822	894,034
Storage and Handling	586,399	393,386	424,292
Transportation	40,648	35,561	37,507
Processing and Packaging	32,280	36,045	27,977
Producer Storage Payments	174,281	127,113	70,020
Loan Collateral Settlements	−62,982	70,277	98,864
Direct Cash Payments	5,800,718	4,520,136	8,444,563
Cotton/Rice Loan Deficiency Payment	42,185	4,100	5,900
Whole Herd Buy Out (DTP)	167,947	178,309	106,085
Red Meat Purchases	(2,496)	(47)	
Operating Expenses	629,711	635,799	643,191
Interest Expenditures	587,426	923,682	582,765
Livestock Assistance	532,579	90,343	
Crop Disaster Payments	3,385,946	6,000	
Other Expenditures	720,460	476,294	43,458
Total Outlays	20,808,008	15,212,785	18,832,928
Receipts:			
Repayments:			
Commodity Loans	7,993,495	6,201,887	6,558,026
Storage Facility Loans	8,367	11,793	4,564
Export Guarantees	70,591	79,974	44,501
Sales Proceeds	982,231	918,590	655,601
Repayments—Export Credit Sales	961	34,739	45,714
Red Meat Purchases	(17)		
Interest Income	522,473	314,319	320,755
Operating Income	1,799	1,925	1,925
Realization of Assets	−362	250	250
Dairy Assessments	13,092		
Export Guarantee Fees	41,987	42,410	42,410
Other Receipts	224,396	54,642	43,437
Total Receipts	9,859,030	7,660,529	7,714,283
Net Expenditures Above	10,948,978	7,552,256	11,118,645
Change in Working Capital	−519,323	500,000	500,000
Net Expenditures, Support and Related	10,429,655	8,052,256	11,618,645
Special Activities (Wool)	93,485	121,316	120,229
Total CCC Net Expenditures	10,523,140	8,173,572	11,738,874

The Committee again calls attention to the fact that the Department has authority to sell CCC-owned commodities at world prices to retain and restore our world markets, thereby maintaining U.S. acreage. Funds received from such sales become available for operations of the Corporation, and thereby reduce the need for annual appropriations.

For restoration of losses of the Commodity Credit Corporation the Committee has provided a total of $5,000,000,000, an increase of $767,000,000 above the amount appropriated for fiscal year 1990 and $1,100,000,000 below the budget request.

The amount provided by the Committee includes funds for restoration of fiscal years 1989 and 1990 losses resulting from the following programs: $566,000,000 for the export enhancement program (EEP); $200,000,000 for the targeted export assistance program (TEA); $150,000,000 for the Federal crop insurance program; $472,326,000 in connection with domestic donation of commodities; $208,412,000 in connection with export donations; and $3,403,262,000 for all other losses.

SHORT-TERM EXPORT CREDIT

The Committee provides $5,000,000,000 for short-term export credit guarantees which will be available to eligible countries for up to three years. The Committee provision is identical to the provisions of section 1125 of Public Law 99-198.

INTERMEDIATE-TERM EXPORT CREDIT

The Committee provides $500,000,000 for intermediate-term export credit guarantees which will be available to eligible countries. The Committee's provision is identical to the provisions of section 1131 of Public Law 98-198.

General Sales Manager

(ALLOTMENT FROM COMMODITY CREDIT CORPORATION)

1990 appropriation	($7,415,000)
1991 budget estimate	(8,090,000)
Provided in the bill	(7,803,000)
Comparison:	
1990 appropriation	(+388,000)
1991 budget estimate	(−287,000)

The position of Sales Manager was created by the Congress upon the recommendation of this Committee in 1955. At that time, the Commodity Credit Corporation had no sales program and no sales policy. Notwithstanding the worldwide need for U.S. agricultural commodities and notwithstanding the authority of the Secretary to sell U.S. commodities abroad at competitive prices, our government, through pressure from the Department of State, held such commodities off world markets—commodities which, perhaps, were surplus to domestic demand but were very much in demand by consumers in other parts of the world if the offering price was merely competitive.

This had several undesirable results. First, it encouraged other countries to expand their production and increase their competition in world markets. Second, it created very large holdings of commodities in this country which were counted to reduce American production with very desirable effects on American agriculture.

Following this period, with a Sales Manager operating a positive sales program at competitive prices, these tremendous stocks were reduced through sales in world trade for dollars. Following that, however, the position of Sales Manager was left vacant for long periods of time until the position was reestablished at the direction of the Congress.

COMMITTEE PROVISIONS

For the Office of the General Sales Manager the Committee provides an allotment from the Commodity Credit Corporation of $7,803,000, an increase of $388,000 above the amount available for fiscal year 1990 and a decrease of $287,000 below the budget request. The Committee expects the General Sales Manager to continue to submit reports to the appropriate committees of Congress quarterly, not annually.

TITLE II—RURAL DEVELOPMENT PROGRAMS

RURAL DEVELOPMENT ASSISTANCE

The Committee has approached rural development from the point of view of assuring that every effort be made to see that the rural areas of the country receive treatment from the Federal Government similar and also equal to that received by our urban areas.

These action agencies, the Farmers Home Administration and the Rural Electrification Administration, have been operating in rural areas for several decades and have played a major role in the enhancement of rural life.

In the 1930's and 1940's the Farmers Home Administration and its predecessor agencies were primarily involved in making small loans to farmers; however, today the agency has a multi-billion dollar loan program throughout all America.

OFFICE OF THE UNDER SECRETARY FOR SMALL COMMUNITY AND RURAL DEVELOPMENT

1990 appropriation	[1] $419,000
1991 budget estimate	[2] 660,000
Provided in the bill	530,000
Comparison:	
1990 appropriation	+111,000
1991 budget estimate	−130,000

[1] Reflects sequester of $5,000 pursuant to P.L. 99-177.
[2] The 1991 budget proposed that this activity be funded in a single account under the Office of the Secretary.

The Office of the Under Secretary for Small Community and Rural Development provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department's small community and rural development activities and crop insurance programs. The Office has oversight and management responsibilities for the Farmers Home Administration, Rural Electrification Administration, and the Federal Crop Insurance Corporation.

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Small Community and Rural Development the Committee provides an appropriation of $530,000, an increase of $111,000 above the amount available for fiscal year 1990 and a decrease of $130,000 below the budget request. The Committee does not concur with the budget request for a significant increase to this Office. The request was based on additional staff to assist with a "rural development initiative," whereas the budget request for USDA reduced many rural programs below last year's level.

FARMERS HOME ADMINISTRATION'S RURAL DEVELOPMENT PROGRAMS

Under the law, responsibility for rural development programs has been assigned primarily to the Farmers Home Administration. The Farmers Home Administration is the governmental agency responsible for the housing needs of rural America, including such related programs as water and sewer loans and grants. The Housing and Community Development Act of 1974 expanded the area of FmHA's responsibility from cities of up to 10,000 in population to cities of up to 20,000 in population.

In order to maintain and improve the quality of life in the rural areas of the country, the Farmers Home Administration conducts the following primary activities:

RURAL HOUSING INSURANCE FUND

Housing Loans.—Makes rural housing loans pursuant to title V of the Housing Act of 1949, as amended, to farm owners, to owners of other real estate in rural areas, and long-term farm leaseholders in rural places with a population of up to 20,000. Rural housing loans are made to construct, improve, alter, repair or replace dwellings and essential farm service buildings that are modest in size, design, and cost.

Rental Housing Loans.—Makes loans for rural rental housing pursuant to title V of the Housing Act of 1949, as amended. Such insured loans are made to individuals, corporations, associations, trusts, or partnerships to provide moderate-cost rental housing and related facilities for elderly persons in rural areas. These loans, made with funds advanced by private lenders, are repayable in not to exceed 50 years.

Farm Labor Housing.—Makes loans pursuant to title V of the Housing Act of 1949, as amended. Such insured loans are made either to a farm owner or to a public or private nonprofit organization to provide modest living quarters and related facilities for domestic farm labor. These loans, which are made with funds advanced by private lenders, are repayable in not more than 33 years at one percent interest. Otherwise, insured farm labor housing loans are subject to the same terms and limitations applicable to other types of insured loans, except that these loans are not limited to family farms or to any specific amount.

AGRICULTURAL CREDIT INSURANCE FUND

Farm Ownership Loans.—Makes loans to farmers and ranchers for acquiring, enlarging, or improving farms, including farm buildings, land development, use and conservation, refinancing indebtedness and for loan closing costs.

Soil and Water Loans.—Makes conservation loans to farmers and ranchers and to associations for the effective development and utilization of water supplies and for the improvement of farmland by soil and water conserving facilities and practices.

Emergency Loans.—Makes loans in designated areas where a natural disaster has caused a general need for agricultural credit which cannot be met for limited periods of time by private cooperatives or other responsible sources, including the Farmers Home Administration.

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Operating Loans.—Makes loans to farmers and ranchers for costs incident to reorganizing a farming system for more profitable operations, for a variety of essential farm operating expenses such as purchase of livestock, farm equipment, feed, seed, fertilizer, and farm supplies; for refinancing land and water development, use and conservation; for refinancing indebtedness; for other farm and home needs, and for loan closing costs.

Soil Conservation Loans.—Makes resource conservation and development loans to sponsors of projects approved for operation by the Soil Conservation Service. Such loans are repayable in not more than 30 years with repayment of principal and interest deferred up to five years if necessary. These loans bear interest at a rate based on the average rate paid by similar Treasury issues.

Also makes watershed and flood prevention loans. Such loans are made to local organizations for installing, repairing, or improving works of improvement and water storage facilities, purchasing sites or rights-of-way and for related costs. Loans are repayable in not more than 50 years at an interest rate based on specified outstanding obligations of the Treasury.

RURAL DEVELOPMENT INSURANCE FUND

Water and Sewer Loans.—Makes loans for water and sewer development costs. Development loans are made to associations, including corporations operating on a nonprofit basis, municipalities and similar organizations, generally designated as public or quasi-public agencies, that propose projects for the development, storage, treatment, purification, and distribution of domestic water or the collection, treatment, or disposal of waste in rural areas.

Community Facility Loans.—Loans are made to organizations, including certain Indian tribes and corporations not operated for profit and public and quasi-public agencies, to construct, enlarge, extend or otherwise improve community facilities providing essential services to rural residents. Such facilities include those providing or supporting overall community development such as fire and rescue services, health care, transportation, traffic control, and community, social, cultural and recreational benefits. Loans are made for facilities which primarily serve rural residents of open country and rural towns and villages of not more than 20,000 people.

Rural Industrialization Loans.—Makes loans for rural industrialization and rural community facilities under Rural Development Act amendments to the Consolidated Farm and Rural Development Act authorities. Business and industrial loans are made to public, private, or cooperative organizations organized for profit, to certain Indian tribes, or to individuals for the purpose of improving, developing or financing business, industry, and employment or improving the economic and environmental climate in rural areas. Such purposes include financing business and industrial acquisition, construction, enlargement, repair or modernization, financing the purchase and development of land, easements, rights-of-way, buildings, and payment of start-up costs and supplying working capital. Industrial development loans may be made in any area that is not within the outer boundary of any city having a population of 50,000

or more and its immediately adjacent urbanized and urbanizing areas with a population density of more than 100 persons per square mile. Special consideration for such loans is given to rural areas and cities having a population of less than 25,000.

Rural Development Loan Fund.—The Food Security Act of 1985, Public Law 99-198, provided that all funds available to the Rural Development Loan Fund on the date of enactment be made available for grants until expended. On date of enactment, December 23, 1985, $14,263,668 was unobligated and available to make grants. All grant funds were obligated during fiscal year 1987 and no additional funds were made available for grants in fiscal year 1988. These grants were made to national rural development and finance corporations for the purpose of establishing rural development programs to provide financial and technical assistance to low-income residents. Public Law 99-425, the Human Services Reauthorization Act of 1986, reauthorized the making of loans, out of repayments or other funds made available to the Rural Development Loan Fund, by FmHA.

Loans are made to intermediary borrowers (i.e. small investment groups) who in turn will reloan the funds to rural businesses, community development corporations, private nonprofit organizations, etc. for the purpose of improving business, industry, community facilities, and employment opportunities and diversification of the economy in rural areas.

GRANTS FOR RURAL DEVELOPMENT

Water and Sewer Grants.—Makes grants for water and sewer development costs. Development grants are made to associations, including corporations operating on a nonprofit basis, municipalities and similar organizations, generally designated as public or quasi-public agencies, that propose projects for development, storage, treatment, purification, and distribution of domestic water or the collection, treatment, or disposal of waste in rural areas. Such grants may not exceed 75 percent of the development cost of the projects, and can supplement other funds borrowed or furnished by applicants to pay development costs.

Farm Labor Housing Grants.—Financial assistance in the form of grants is authorized to public or private nonprofit organizations or other eligible organizations for low-rent housing and related facilities for domestic farm labor, as authorized by the Housing Act of 1964. Assistance not to exceed 90 percent of the total development cost is authorized for new structures (including basic household furnishings) and sites, and for rehabilitation, alteration, conversion or improvement of dwellings, dining halls, community rooms or buildings and infirmaries used by domestic farm laborers.

Mutual and Self-Help Housing Grants.—Makes grants authorized by section 523 of title V of the Housing Act of 1949, as amended. These grants are especially designed to aid the development of comprehensive plans to permit an expansion of mutual and self-help housing programs under which groups of families build their own homes by mutually exchanging labor.

Business and Industrial Development Grants.—Makes rural development grants to public bodies for activities facilitating develop-

ment of private business enterprises, including the development, construction or acquisition of land, buildings, plants, equipment, access streets and roads, parking areas, utility extensions necessary for water supply and waste disposal facilities, refinancing services and fees. These grants may be made in connection with business and industrial loans, and community facilities loans. Grants are limited to communities having populations of 50,000 or less.

HISTORY OF FARMERS HOME

From the beginning of the Resettlement Administration in 1935 until the end of fiscal year 1989, a total of $156,973,439,687 was advanced or obligated in more than 10 million loans and grants made through FmHA and its predecessor agencies.

Program-by-program, the all-time totals as of September 30, 1989, are shown in the following table:

FARMERS HOME ADMINISTRATION

[Loans and grants by program—all-time total through fiscal year 1989]

	Number of loans or grants	Dollar amount
Farmer programs:		
Farm operating loans	2,700,690	$30,643,800,755
Farm ownership loans	419,548	13,442,273,897
Recreation loans (individual)	463	20,527,880
Emergency loans	1,245,006	23,114,473,036
Grazing association loans	605	129,419,696
Soil and water loans (individual)	44,739	511,076,852
Irrigation and drainage loans	610	32,240,909
Indian land acquisition loans	91	99,263,130
Interest buy-down programs	(2,241)	31,891,637
State mediation grants	17	3,000,000
Farmer programs, total	4,411,769	68,027,967,792
Rural housing programs:		
Individual housing loans (502 and 504) [1]	2,049,867	41,172,398,045
Compensation for construction defects [1]	694	2,299,729
Very low-income repair loans	5,875	18,929,194
Very low-income repair grants	69,777	190,430,450
Rural rental housing loans	22,412	10,941,300,865
Rental assistance program:		
Rental housing (190,114 units)	[2] 9,087	3,237,536,485
Labor housing (6,543 units)	[2] 68	117,436,455
Farm labor housing loans	2,033	237,572,938
Farm labor housing grants	293	212,779,542
Site loans	132	17,615,420
Self-help housing grants	641	117,999,040
Self-help land development fund	48	9,152,010
Rural housing supervisory assistance grants	57	5,000,000
Rural housing preservation grants	598	76,560,000
Rental assistance grant	1	88,376
Housing programs, total	2,161,583	56,358,088,549
Community programs:		
Water and waste disposal development loans	29,977	10,125,714,844
Water and waste disposal development grants	14,318	3,255,834,952
Community facility loans	5,735	2,580,790,470
Industrial development grants	1,431	99,549,279
Rural development loans	22	27,617,569
Watershed and flood prevention loans	491	176,072,424

FARMERS HOME ADMINISTRATION—Continued

[Loans and grants by program—all-time total through fiscal year 1989]

	Number of loans or grants	Dollar amount
Resource conservation and development loans	291	29,412,409
Development grants other than FmHA	2,228	373,818,525
Community programs, total	54,493	16,668,810,472
Business and industry programs:		
Guaranteed business/industrial loans	7,360	6,020,511,384
Business and Industrial programs, total	7,360	6,020,511,384
Discontinued programs:		
Bureau of Reclamation, soil and water loans	283	4,935,550
Economic emergency loans	126,770	7,227,951,980
Economic opportunity loans (association)	1,476	21,107,481
Economic opportunity loans (individual)	64,660	109,394,912
Emergency livestock loans	7,738	1,045,660,130
Finance Corporation grants	3	14,263,668
Finance Corporation loans	12	19,140,000
Land conservation and development loans	274	267,900
Recreation Association loans [3]	1,035	110,510,460
Rural development planning grants (ADA)	605	19,000,000
Rural rehabilitation loans	3,031,331	1,015,825,965
Rural renewal loans	56	6,550,300
Special impact grants	2	2,700,000
State corporation farm operating loans	185,904	158,964,394
State corporation farm ownership loans, agricultural credit loans, resettlement projects, water utilization and construction loans	(4)	89,800,000
Water facility loans (individual)	18,296	29,695,363
Water/sewer comprehensive planning grants	1,834	22,293,387
Discontinued programs, total	3,440,279	9,898,061,490
Grand total	10,075,484	156,973,439,687

[1] Include very low-income repair loans.
[2] Data collection started in 1983.
[3] Recreation association loans included in community facility loans since 1974.
[4] Number not available.

The unpaid principal on all FmHA loans as of September 30, 1989, totals $59 billion.

The soaring annual volume of programs, making FmHA the largest Federal loan agency dealing directly with borrowers, reflects the rising emphasis during the 1960's and 1970's on resources for development or revival of the whole rural community. Programs increased from $300 million to $1.6 billion during the 1960's. Since then, these annual levels have been recorded as:

Fiscal year:	
1970	$1,639,748,570
1971	2,414,315,015
1972	2,789,805,921
1973	3,754,934,003
1974	3,591,084,198
1975	5,466,262,317
1976	5,393,792,929
1977	7,235,522,710
1978	11,088,919,995
1979	14,671,661,650
1980	12,965,757,950
1981	13,974,661,512

1982	8,778,217,000
1983	7,314,494,000
1984	7,995,093,000
1985	9,511,665,191
1986	7,001,007,790
1987	5,781,144,603
1988	5,151,059,448
1989	5,076,496,000

The temporary downward dip between fiscal year 1973 to 1974 was attributed to an exceptionally great outlay for farm emergency loans in 1973, and a January–June moratorium on new subsidized housing that decreased the backlog of loan applications for fiscal year 1974. A large volume of emergency lending was the principal reason why obligations in fiscal year 1975 exceeded those of 1976. The volume of total loans from 1978 through 1981 included record levels for farm emergency, housing, community facility, and business and industrial programs.

COMMITTEE PROVISIONS

The Committee provides the following loan and grant levels for fiscal year 1991, as compared with the estimated levels for fiscal year 1990 and the budget request levels for fiscal year 1991:

LOAN AND GRANT LEVELS

[In millions of dollars]

	Current 1990 estimate	1991 budget	1991 provisions
Rural housing insurance fund:			
Low-income housing loans (502)	1,261.5	589.0	1,262.2
Unsubsidized direct loans	49.3	20.0	50.0
Unsubsidized guaranteed loans		297.0	
Subsidized guaranteed loans		297.0	100.0
Rural housing site development loans (524)	.6		.6
Rural rental housing loans (515)	571.9	391.0	573.9
Very low-income repair loans (504)	11.2	11.1	11.3
Domestic farm labor loans (514)	11.3	16.3	16.3
Subtotal, rural housing insurance fund	1,905.8	1,621.4	2,014.3
Rural rental assistance payments	296.3	258.0	308.1
Self-help housing land development fund	.5		.5
Agricultural credit insurance fund:			
Farm ownership loans:			
Direct	80.0	25.0	66.5
FY1990 Act		13.5	13.5
Guaranteed	469.3	150.0	475.5
Soil and water loans:			
Direct	5.5		5.5
Guaranteed	1.5		1.5
Indian land acquisition loans	1.0		1.0
Farm operating loans:			
Direct	900.0	500.0	950.0
Guaranteed	2,566.0	2,600.00	2,600.0
Emergency loans	579.1	25.0	600.0
Watershed and flood prevention loans	4.0		4.0
Resource conservation and development loans	.6		.6
State mediation grants	3.5	2.0	3.5
Subtotal, agricultural credit insurance fund	4,610.4	3,315.5	4,721.6

LOAN AND GRANT LEVELS—Continued

[In millions of dollars]

	Current 1990 estimate	1991 budget	1991 provisions
Rural development insurance fund:			
Water and waste disposal loans	350.3	300.0	500.0
Guaranteed	74.5	50.0	35.0
Community facility loans	94.4	45.7	100.0
Guaranteed	23.8	50.0	25.0
Rural industrialization loans (guaranteed)	95.0	.....	100.0
Subtotal, rural development insurance fund	638.0	445.7	760.0
Rural development loan fund	19.3	30.0	25.0
Water and waste disposal grants	207.7	100.0	300.0
Rural development grants	16.4	.....	16.5
Rural housing for domestic farm labor	10.9	10.0	11.0
Mutual and self-help housing grants	8.6	.....	8.7
Home repair grants	12.5	10.0	12.5
Compensation for construction defects	.5	.....	.5
Rural rental assistance (voucher program)	.....	189.9	.....
Rural community fire protection grants	3.1	.....	3.5
Preservation grants	19.1	15.0	23.0
Subtotal, grants and payments	298.1	354.9	400.7
Total, loans, grants, and payments	7,749.1	5,995.5	8,205.2

RURAL HOUSING INSURANCE FUND

ESTIMATED LOAN LEVELS

1990 loan level	[1] ($1,905,730,000)
1991 budget estimate	(1,621,400,000)
Provided in the bill	(2,014,340,000)
Comparison:	
1990 loan level	+108,610,000
1991 budget estimate	+392,940,000

[1] Reflects sequester of $26,760,000 pursuant to P.L. 99-177.

This fund was established in 1965 (Public Law 89-117) pursuant to section 517 of title V of the Housing Act of 1949, as amended. This fund may be used to insure or guarantee rural housing loans for single family homes, rental and cooperative housing, farm labor housing, and rural housing sites. Loan programs are limited to rural areas which include towns, villages, and other places of not more than 10,000 population, which are not part of an urban area. Loans may also be made in areas with a population in excess of 10,000 but less than 20,000 if the area is not included in a standard metropolitan statistical area and has a serious lack of mortgage credit for low- and moderate-income borrowers.

COMMITTEE PROVISIONS

Loan levels provided by the Committee for fiscal year 1991 for the rural housing insurance fund include: $1,312,210,000 for low-income housing, an increase of $1,406,000 above the amount available for fiscal year 1990 and $703,210,000 above the budget request; and $573,900,000 for rural rental housing loans, an increase of $2,030,000 above the amount available for fiscal year 1990 and

$182,900,000 above the budget request. The Committee has provided that $50,000,000 of the total for section 502 be made available for unsubsidized loans, the same as the amount available for fiscal year 1990 and an increase of $30,000,000 above the budget request.

The Committee has provided $100,000,000 for subsidized guaranteed loans. The budget request proposed a new program of $297,000,000, respectively, for unsubsidized and subsidized loans. The Committee has doubts about the willingness of lending institutions to participate in a guaranteed lending program and has, therefore, provided for a pilot program, the effectiveness of which can be evaluated by the Committee in connection with the fiscal year 1992 budget request.

Loan levels for other programs provided by the Committee are: $11,330,000 for very low-income housing repair loans, an increase of $157,000 above the amount available for fiscal year 1990 and $230,000 above the budget request; $16,300,000 for farm labor housing loans, an increase of $4,979,000 above the amount available for fiscal year 1990 and $50,000 above the budget request; and $600,000 for site loans, an increase of $38,000 above the amount available for fiscal year 1990 and $600,000 above the budget request.

RENTAL ASSISTANCE PROGRAM

1990 program level	[1] ($296,317,000)
1991 budget estimate	(258,000,000)
Provided in the bill	(308,100,000)
Comparison:	
1990 program level	(+11,783,000)
1991 budget estimate	(+50,100,000)

[1] Reflects sequester of $3,993,000 pursuant to P.L. 99-177.

The Housing and Community Development Act of 1974 established a rural rental assistance program to be administered by the Farmers Home Administration through the rural housing insurance fund.

The objective of the program is to reduce rents paid by low-income families living in FmHA-financed rental projects and farm labor housing projects. Under this program, low-income tenants will contribute the higher of (1) 30 percent of monthly adjusted income, (2) 10 percent of monthly income, or (3) designated housing payments from a welfare agency.

Payments from the fund are made to the project owner for the difference between the tenant's payment and the approved rental rate established for the unit.

The program is administered in tandem with FmHA section 515 rural rental and cooperative housing programs and the farm labor loan and grant programs. Priority will be given to existing projects for units occupied by low-income families to extend expiring contracts or provide full amounts authorized to existing contracts; any remaining authority will be used for projects receiving new construction commitments under sections 514, 515, or 516 for very low-income families with certain limitations.

COMMITTEE PROVISIONS

For rental assistance for both new (additional) and renewal units the Committee provides a program level of $308,100,000, an in-

crease of $11,783,000 above the amount available for fiscal year 1990 and $50,100,000 above the budget request.

INTEREST SUBSIDY FOR GUARANTEED LOANS

1990 appropriation	.....
1991 budget estimate	$362,460,000
Provided in the bill	.....
Comparison:	
1990 appropriation	.....
1991 budget estimate	−362,460,000

The budget request proposed a new program of $297,000,000 in subsidized guaranteed loans for low-income rural housing. The request stated that the interest subsidy will range from 3 to 8.5 percent, but will average no more than 5 percent. The appropriation request for the interest subsidy was based on the subsidy required for the entire 40-year life of the loan. The Committee does not concur with this proposal and will expect any interest subsidy on loans to be paid from the revolving fund, the same as is the case for every other loan program.

REIMBURSEMENT FOR LOSSES

1990 appropriation	$2,677,897,000
1991 budget estimate	2,667,186,000
Provided in the bill	2,167,186,000
Comparison:	
1990 appropriation	−510,711,000
1991 budget estimate	−500,000,000

Section 523(c) of the Housing Act of 1949, as amended, authorizes annual appropriations to the rural housing insurance fund of the amounts by which interest payments made from the fund to investors in insured loans exceed the interest due from borrowers.

In addition, section 517(e) of the Act authorizes appropriations to restore all other losses to the fund, exclusive of provisions for future losses, unfunded costs, and imputed interest.

COMMITTEE PROVISIONS

For reimbursement for interest subsidies and losses for the rural housing insurance fund the Committee provides an appropriation of $2,167,186,000, a decrease of $510,711,000 below the amount available for fiscal year 1990 and $500,000,000 below the budget request.

SELF-HELP HOUSING LAND DEVELOPMENT FUND

1990 loan level	($500,000)
1991 budget estimate	.....
Provided in the bill	(500,000)
Comparison:	
1990 loan level	.....
1991 budget estimate	(+500,000)

This fund is authorized by section 523(b)(1)(B) of the Housing Act of 1949, as amended. It is used as a revolving fund for making loans to public or private nonprofit organizations for the acquisition and development of land as building sites to be subdivided and sold to eligible families, nonprofit organizations and cooperatives.

COMMITTEE PROVISIONS

For loans from the self-help housing land development fund the Committee provides $500,000, the same as the amount available for fiscal year 1990 and $500,000 above the budget request.

AGRICULTURAL CREDIT INSURANCE FUND

ESTIMATED LOAN LEVELS

1990 loan level	[1] ($4,606,980,000)
1991 budget estimate	[2] (3,313,500,000)
Provided in the bill	(4,704,600,000)
Comparison:	
1990 loan level	(+97,620,000)
1991 budget estimate	(+1,391,100,000)

[1] Reflects sequester of $40,256,000 pursuant to P.L. 99-177.
[2] Includes $13,500,000 in farm ownership loans appropriated in FY 1990 but did not become available for obligation until October 1, 1990.

This fund makes the following loans to individuals: farm ownership, farm operating, soil and water, recreation and emergency. In addition, the fund makes loans to associations for irrigation and drainage, grazing, recreation facilities, Indian tribe land acquisition, watershed protection, flood prevention, and resource conservation and development. This fund is maintained from available receipts and borrowings from the Treasury. With respect to new loans made from this fund, not more than $500 million may be held in the fund at any one time. Interest on borrowings is paid to the Treasury at the current average rate that the Treasury must in turn pay.

Present money market interest rates are in excess of the statutory rate paid by most borrowers. The excess interest paid to private investors to make loans salable or pay part of the borrower's interest on guaranteed loans is paid from Treasury borrowings.

COMMITTEE PROVISIONS

Loan levels provided by the Committee for fiscal year 1991 for the agricultural credit insurance fund include: $542,000,000 for farm ownership loans, of which $66,500,000 is for direct or insured loans and $475,500,000 is for guaranteed loans; $3,550,000,000 for farm operating loans, of which $950,000,000 is for direct or insured loans and $2,600,000,000 is for guaranteed loans; $7,000,000 for soil and water loans, of which $5,500,000 is for direct or insured loans and $1,500,000 is for guaranteed loans; $1,000,000 for Indian land acquisition loans; $4,000,000 for watershed and flood prevention loans; and $600,000 for resource conservation and development loans.

For emergency disaster loans the Committee provides $600,000,000, the maximum amount authorized by the Food Security Act of 1985. Prior to the enactment of the Food Security Act of 1985, which placed a limit on the authorized levels for emergency disaster loans, these loans had been specified as "such sums as necessary" in annual appropriations acts.

The Committee is concerned that in many cases foreclosed property is being sold and then financed under the farm ownership program with no money down. The Committee does not concur in this

approach and expects an amount equal to at least one year's rent be required as a down payment on such property.

For state mediation grants the Committee provides $3,500,000, an increase of $44,000 above the amount available for fiscal year 1990 and $1,500,000 above the budget request.

REIMBURSEMENT FOR LOSSES

1990 appropriation	$4,120,159,000
1991 budget estimate	6,014,356,000
Provided in the bill	5,620,159,000
Comparison:	
1990 appropriation	+1,500,000,000
1991 budget estimate	−394,197,000

This appropriation is to reimburse the agricultural credit insurance fund for losses sustained in prior fiscal years. The annual reimbursement will restore the losses of the fund, exclusive of provision for future losses, imputed interest, and unfunded costs.

COMMITTEE PROVISIONS

For reimbursement for interest subsidies and losses for the agricultural credit insurance fund the Committee provides an appropriation of $5,620,159,000, an increase of $1,500,000,000 above the amount available for fiscal year 1990 and a decrease of $394,197,000 below the budget request.

RURAL DEVELOPMENT INSURANCE FUND

ESTIMATED LOAN LEVELS

1990 loan level	[1] ($637,986,000)
1991 budget estimate	(445,700,000)
Provided in the bill	(760,000,000)
Comparison:	
1990 loan level	(+122,014,000)
1991 budget estimate	(+314,300,000)

[1] Reflects sequester of $7,604,000 pursuant to P.L. 99-177.

This fund, created by the Rural Development Act of 1972, finances a variety of rural development loans, including water and sewer systems, rural industrial development loans, and other needed community facilities. Deficits as a result of fund operations are restored by appropriation.

COMMITTEE PROVISIONS

Loan levels provided by the Committee for fiscal year 1991 for the rural development insurance fund include: $500,000,000 for insured water and waste disposal facility loans, an increase of $149,707,000 above the amount available for fiscal year 1990 and $200,000,000 above the budget request; $35,000,000 for guaranteed water and sewer loans, a decrease of $39,465,000 below the amount available for fiscal year 1990 and $15,000,000 below the budget request; $100,000,000 for insured community facility loans, an increase of $5,619,000 above the amount available for fiscal year 1990 and $54,300,000 above the budget request; $25,000,000 for guaranteed community facility loans, $1,171,000 above the amount available for fiscal year 1990 and a decrease of $25,000,000 below the

budget request; and $100,000,000 for guaranteed business and industrial loans, an increase of $4,982,000 above the amount available for fiscal year 1990 and $100,000,000 above the budget request.

REIMBURSEMENT FOR LOSSES

1990 appropriation	$1,474,499,000
1991 budget estimate	1,666,160,000
Provided in the bill	1,466,160,000
Comparison:	
1990 appropriation	−8,339,000
1991 budget estimate	−200,000,000

This appropriation is to reimburse the rural development insurance fund for losses sustained in prior fiscal years. The annual reimbursement will restore the losses of the fund, exclusive of provision for future losses, imputed interest, and unfunded costs.

COMMITTEE PROVISIONS

For reimbursement for interest subsidies and losses for the rural development insurance fund the Committee provides an appropriation of $1,466,160,000, a decrease of $8,339,000 below the amount available for fiscal year 1990 and $200,000,000 below the budget request.

RURAL DEVELOPMENT LOAN FUND

ESTIMATED LOAN LEVELS

	Appropriation	Loan levels
1990 appropriation	[1] $17,318,000	($19,297,000)
1991 budget estimate	28,000,000	(30,000,000)
Provided in the bill	23,000,000	(25,000,000)
Comparison:		
1990 appropriation	+5,682,000	(+5,703,000)
1991 budget estimate	−5,000,000	(−5,000,000)

[1] Reflects sequester of $182,000 in appropriations and $203,000 in loan levels pursuant to P.L. 99–177.

The Rural Development Loan Program was originally authorized by the Economic Opportunity Act of 1964 (Public Law 88–452) with FmHA making and administering the loans for the Office of Economic Opportunity. The program was transferred to the Community Services Administration (CSA); however, no new loans were made by the CSA. When the CSA was abolished, this program was transferred to the Department of Health and Human Services (HHS). New loans were made and administered by HHS until the Food Security Act of 1985 transferred this program to the Department of Agriculture. At the time of transfer, FmHA acquired a portfolio of 29 direct loans for approximately $38,000,000; funds available as of December 23, 1986, were authorized for grants. Grant authority expired at the end of fiscal year 1988.

The making of rural development loans by the Department of Agriculture was reauthorized by Public Law 99–425, the Human Services Reauthorization Act of 1986. Funding for such loans is to be derived from repayments to the fund (principal and interest) from prior loans made from the fund, as well as any additional monies that might be made available.

Loans will be made to intermediary borrowers (that is, small investment groups) who in turn will reloan the funds to rural businesses, community development corporations, private nonprofit organizations, public agencies, et cetera, for the purpose of improving business, industry, community facilities, and employment opportunities and diversification of the economy in rural areas.

COMMITTEE PROVISIONS

For the rural development loan fund the Committee provides $25,000,000, an increase of $5,703,000 above the amount available for fiscal year 1990 and a decrease of $5,000,000 below the budget request. To make these funds available, the Committee provides a direct appropriation of $23,000,000 and an earmarking of $2,000,000 of funds within the fund as proposed in the budget request.

The Committee will expect the Department to give priority to those loan applications which will create the greatest number of new jobs for low-income people relative to the amount loaned and which evidence the greatest participation with the private sector.

The Committee has provided up to $3,000,000 for a loan to continue the highly successful loan program of the Three Rivers Planning and Development District in Mississippi, which has been underway since 1985. These funds will be used to leverage private sector funds in providing affordable financing for new business start-up, expansion of existing businesses, creation of employment and/or saving existing jobs.

RURAL WATER AND WASTE DISPOSAL GRANTS

1990 appropriation	[1] $207,700,000
1991 budget estimate	100,000,000
Provided in the bill	300,000,000
Comparison:	
1990 appropriation	+92,300,000
1991 budget estimate	+200,000,000

[1] Reflects sequester of $1,695,000 pursuant to P.L. 99-177.

The Farmers Home Administration is authorized to make grants to rural area associations, such as nonprofit corporations and municipalities, for up to 75 percent of the cost of developing projects for storage, treatment, purification, and distribution of domestic water or the collection, treatment, or disposal of wastes.

COMMITTEE PROVISIONS

For rural water and waste disposal grants the Committee provides $300,000,000, an increase of $92,300,000 above the amount available for fiscal year 1990 and $200,000,000 above the budget request.

The Committee has been contacted regarding the need for a new water treatment facility for Wilmington, Ohio, and water systems in Fulton and Izard Counties, Arkansas. The Committee will expect the Department to review these proposals and report to the Committee.

AREA COVERAGE

The Committee also continues to expect that not less than 30 percent of the funds appropriated for rural water and waste disposal grants will be used for expansion of existing systems. In addition, the Committee will expect the Department to give high priority to those communities which are in jeopardy of losing their supply systems because of the requirements of the Safe Drinking Water Act.

The Committee will expect the Department to operate the program so as to work toward area coverage for water and sewer systems, including the modification of central facilities. This is especially important for water systems since frequently the central water system or basic facility, including wells, needs to be improved or expanded. The central system tends to involve much larger capital outlays than simply the laying of new water lines.

The Committee will expect the Department to call on existing systems to comply with their commitments to provide area coverage.

The Committee will continue to expect the agency staff assigned to the state offices who are specialists in the water and sewer program to assist local applicants with their applications. Many applicants are from very small water and sewer districts and do not have sufficient resources or expertise to prepare the necessary documents and need the help of the Farmers Home staff. The Committee will expect the Administrator to advise the staff of the state offices that such assistance will be required.

The Committee has also included language in the bill that none of the funds appropriated for water and sewer grants can be used for administrative costs.

VERY LOW-INCOME HOUSING REPAIR GRANTS

1990 appropriation	$12,500,000
1991 budget estimate	10,000,000
Provided in the bill	12,500,000
Comparison:	
1990 appropriation	
1991 budget estimate	+2,500,000

This grant program is authorized under section 504 of title V of the Housing Act of 1949, as amended. The rural housing repair grant program is carried out by making grants to very low-income families to make necessary repairs to their homes in order to make such dwellings safe and sanitary, and remove hazards to the health of the occupants, their families, or the community.

These grants may be made to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports or making similar repairs, additions, or improvements, including all preliminary and installation costs in obtaining central water and sewer service. A grant can be made in combination with a section 504 very low-income housing repair loan.

No assistance can be extended to any one individual in the form of a loan, grant, or combined loan and grant in excess of $5,000,

and grant assistance is limited to persons, or families headed by persons, who are 62 years of age or older.

COMMITTEE PROVISIONS

For very low-income housing repair grants for the elderly, the Committee provides an appropriation of $12,500,000, the same as the amount available for fiscal year 1990 and an increase of $2,500,000 above the budget request. The Committee feels that this program of providing safe and sanitary housing for the very low-income elderly should be maintained and is a key component of rural development. Without this program, some elderly individuals could be forced to leave their homes because of their inability to make costly repairs.

RURAL HOUSING FOR DOMESTIC FARM LABOR

1990 appropriation	[1] $10,862,000
1991 budget estimate	10,000,000
Provided in the bill	11,000,000
Comparison:	
1990 appropriation	+138,000
1991 budget estimate	+1,000,000

[1] Reflects sequester of $138,000 pursuant to P.L. 99-177.

Financial assistance in the form of grants is authorized to public or private nonprofit organizations or other eligible organizations for low-rent housing and related facilities for domestic farm labor.

Under section 516 under the Housing Act of 1949, FmHA is authorized to share with states or other political subdivisions, public or private nonprofit organizations, or nonprofit organizations of farm workers, the cost of providing low-rent housing, basic household furnishings, and related facilities to be used by domestic farm laborers. Such housing may be for year-round or seasonal occupancy and consist of family units, apartments, or dormitory-type units, constructed in an economical manner, and not of elaborate or extravagant design or materials. Grant assistance may not exceed 90 percent of the total development cost. Applicants furnish as much of the development cost as they can afford by using their own resources, by borrowing either directly from private sources, or by obtaining an insured loan under section 514 of the Housing Act. The applicant must agree to charge rentals which do not exceed amounts approved by the Secretary, maintain the housing at all times in a safe and sanitary condition, and give occupancy preference to domestic farm laborers.

The obligations incurred by the applicant as a condition of the grant continue for 50 years from the date of the grant unless sooner terminated by the Farmers Home Administration. Grant obligations are secured by mortgage on the housing or other security. In the event of default, the Farmers Home Administration has the option to require repayment of the grant.

COMMITTEE PROVISIONS

For grants for rural housing for domestic farm labor the Committee provides an appropriation of $11,000,000, an increase of $138,000 above the amount available for fiscal year 1990 and

$1,000,000 above the budget request. The Committee will expect that 10 percent of these funds will be used to encourage the development of domestic farm labor housing projects, in accordance with section 516(i) of the Housing Act of 1949, as amended.

MUTUAL AND SELF-HELP HOUSING

1990 appropriation	[1] $8,634,000
1991 budget estimate	
Provided in the bill	8,750,000
Comparison:	
1990 appropriation	+116,000
1991 budget estimate	+8,750,000

[1] Reflects sequester of $116,000 pursuant to P.L. 99-177.

This grant program is authorized by title V of the Housing Act of 1949, as amended. Grants are made to local organizations to promote the development of mutual or self-help programs under which groups of usually six to ten families build their own homes by mutually exchanging labor. Funds may be used to pay the cost of construction supervisors who will work with families to guide them in the construction of their homes and for administrative expenses of the organizations providing the self-help assistance.

COMMITTEE PROVISIONS

For mutual and self-help housing grants the Committee provides an appropriation of $8,750,000, an increase of $116,000 above the amount available for fiscal year 1990 and $8,750,000 above the budget request. The Committee will expect the $8,750,000 to be used for grants to eligible recipients who are capable of operating a cost-effective program.

RURAL COMMUNITY FIRE PROTECTION GRANTS

1990 appropriation	$3,091,000
1991 budget estimate	
Provided in the bill	3,500,000
Comparison:	
1990 appropriation	+409,000
1991 budget estimate	+3,500,000

Rural community fire protection grants are authorized by section 7 of the Cooperative Forestry Assistance Act of 1978. Grants are made to public bodies to organize, train, and equip local firefighting forces, including those of Indian tribes or other native groups, to prevent, control, and suppress fires threatening human lives, crops, livestock, farmsteads or other improvements, pastures, orchards, wildlife, rangeland, woodland, and other resources in rural areas. In fiscal year 1989, 3,364 grants were obligated for a total of $3.057 million. It is anticipated that approximately 3,000 grants will be obligated in fiscal year 1990 for a total of $3.091 million.

COMMITTEE PROVISIONS

For rural community fire protection grants the Committee provides an appropriation of $3,500,000, an increase of $409,000 above the amount available for fiscal year 1990 and $3,500,000 above the budget request. There never has been a budget request for this im-

portant rural development program since these grants were first funded in the fiscal year 1972 Appropriations Act.

COMPENSATION FOR CONSTRUCTION DEFECTS

1990 appropriation	$500,000
1991 budget estimate	.....
Provided in the bill	500,000
Comparison:	
1990 appropriation	.....
1991 budget estimate	+500,000

This program is authorized under section 509(c) of the Housing Act of 1949, as amended. The Secretary of Agriculture is authorized to make expenditures to correct structural defects, or pay claims of owners arising from such defects on newly constructed dwellings purchased with FmHA financial assistance. Claims will not be paid until provisions under the builder's warranty have been fully pursued. Requests for compensation for construction defects must be made within eighteen months of loan closing.

COMMITTEE PROVISIONS

For compensation for construction defects the Committee provides an appropriation of $500,000, the same as the amount available for fiscal year 1990 and an increase of $500,000 above the budget request. Without this program some of the low-income borrowers of the Farmers Home Administration might lose their homes through no fault of their own because of defects in the construction overlooked by the FmHA inspectors at the time of purchase.

RURAL HOUSING PRESERVATION GRANTS

1990 appropriation	$19,140,000
1991 budget estimate	15,000,000
Provided in the bill	23,000,000
Comparison:	
1990 appropriation	+3,860,000
1991 budget estimate	+8,000,000

Section 522 of the Housing and Urban-Rural Recovery Act of 1983 authorizes the Farmers Home Administration to administer a new program of home repair directed at low- and very low-income people.

Nationally, with only a fourth of the population, rural areas have over 50 percent of the units lacking plumbing and over a third of the units considered substandard.

The rural housing preservation grants program seeks to attack this problem by forging a working relationship between FmHA and public bodies and nonprofit institutions capable of carrying out a program of home repair.

The idea behind the preservation program is to improve the delivery of rehabilitation assistance by employing the expertise of housing organizations at the local level. Eligible applicants will compete on a state-by-state basis for grants funds. These funds may be administered as loans, loan write-downs, or grants to finance home repair. The program will be administered by local grantees.

COMMITTEE PROVISIONS

For rural housing preservation grants the Committee provides an appropriation of $23,000,000, an increase of $3,860,000 above the amount available for fiscal year 1990 and $8,000,000 above the budget request.

RURAL DEVELOPMENT GRANTS

1990 appropriation	[1] $16,406,000
1991 budget estimate	
Provided in the bill	16,500,000
Comparison:	
1990 appropriation	+94,000
1991 budget estimate	+16,500,000

[1] Reflects sequester of $94,000 pursuant to P.L. 99-177.

This program was authorized by the Rural Development Act of 1972. Grants are made to public bodies to facilitate development of private enterprises in rural areas, including the development, construction or acquisition of land, buildings, plants, equipment, access streets and roads, parking areas, utility extensions, necessary water supply and waste disposal facilities, refinancing, services and fees.

COMMITTEE PROVISIONS

For rural development grants the Committee provides $16,500,000, an increase of $94,000 above the amount available for fiscal year 1990 and $16,500,000 above the budget request.

The Committee restores bill language earmarking $500,000 for rural transportation technical assistance and will expect the Department to continue the program initiated in fiscal year 1989. These funds are designed to cover site specific projects such as the identification of transit development projects and technical assistance to communities that lack adequate transportation systems.

Included in the total is $1,150,000 for a grant to complete the construction funding for a regional center for coordinating efforts devoted to improving the living conditions in rural depressed areas of Kentucky, which has been established in connection with the University of Kentucky's Somerset Community College. This center has been designed to assist in providing agricultural education programs and training for business, industry and other targeted groups presently involved in rural development activities. Initial construction funding was appropriated in fiscal year 1990 and matching funds for the facility have been provided by the State and others.

The Committee provides $500,000 for the construction of rural industrial incubators to revitalize the economic depressed area of Bennington in Bryan County, Oklahoma.

The Committee provides $250,000 for a grant to implement a strategy to encourage rural revitalization in Maui County. In areas of Maui County, such as the Island of Molokai, unemployment is well above the national and State averages. This grant is to be administered by the Maui Economic Development Board, Inc. Planning funds for this project were appropriated in fiscal year 1990.

The Committee has been advised of a proposal to establish an industrial park in Bland County, Virginia. The Committee will expect the Department to review the proposal to determine if it qualifies for Federal assistance.

The Committee provides $1,500,000 to construct the East Central Agriplex, a centralized rural and agricultural facility that will be utilized for agriculture service providers and events promoting industry and commerce of the area. Planning funds for this facility were appropriated in fiscal year 1990. The land for the facility will be donated and the community has indicated a commitment to matching the Federal dollars.

Office of the Administrator

1990 appropriation	$600,000
1991 budget estimate	
Provided in the bill	600,000
Comparison:	
1990 appropriation	
1991 budget estimate	+600,000

The Office of the Administrator provides overall supervision and coordination for the programs of the Farmers Home Administration under the law enacted by the Congress.

COMMITTEE PROVISIONS

For the Office of the Administrator of the Farmers Home Administration the Committee provides an appropriation of $600,000, the same as the amount available for fiscal year 1990 and an increase of $600,000 above the budget request.

SALARIES AND EXPENSES

	Appropriation	Transfer from loan accounts	Total
1990 appropriation	$422,934,000	($4,000,000)	($426,934,000)
1991 budget estimate	447,787,000	(4,000,000)	(451,787,000)
Recommended in the bill	439,854,000	(4,000,000)	(443,854,000)
Comparison:			
1990 appropriation	+16,920,000		(+16,920,000)
1991 budget estimate	−7,933,000		(−7,933,000)

These funds are used to administer the loan and grant programs of the Farmers Home Administration including reviewing applications, making and collecting loans, and providing technical assistance and guidance to borrowers; and to assist in extending other Federal programs to people in rural areas.

COMMITTEE PROVISIONS

For salaries and expenses of the Farmers Home Administration the Committee provides $443,854,000, including $4,000,000 in transfer from loan accounts. This level provides $16,920,000 above the amount available for fiscal year 1990 and $7,933,000 below the budget request.

DELTA COMMISSION

From funds available to the Delta Commission, $50,000 shall be made available to submit a request for expansion of prisons, together with proposals for private financing, in the Mississippi Delta, such report to be filed on or before October 1, 1990.

CIRCUIT RIDER PROGRAM

The Committee takes note that since the inception of the rural water and waste disposal program, 12,000 water systems have been established. Many of these systems, because of age and other reasons, require technical assistance. Therefore, of the funds provided for contracts, $3,359,000 is for a circuit rider program to provide technical assistance to rural water systems, an increase of $125,000 above the amount available for fiscal year 1990 and an increase of $3,359,000 above the budget request. This program has been operated effectively over the last several years by the National Rural Water Association. Therefore, the Committee has included bill language providing for contracting this work with the National Rural Water Association, which has operated this program, or another equally qualified national organization.

GUARANTEED LOANS

For the last several years the Department has been promoting the use of guaranteed loans in place of direct loans in the housing, farmer and rural development programs. The Committee is aware that many rural banks have been reluctant or unable to participate in these programs. Therefore, the Committee will expect the Department to make direct loans available in those areas of the country where guaranteed loans are not working.

RETAINAGE REQUIREMENTS

The Committee remains concerned about a conflict that exists between the Farmers Home Administration retainage requirements on the water and sewer program and states that have different laws on retainage requirements. When a similar situation arose with the Environmental protection Agency, the EPA issued regulations on retainage that stated, "Except as state law otherwise provides. . ." (CFR 35.938-7).

The Committee calls upon FmHA to work with these states and the regional offices of the FmHA to minimize this conflict and eliminate, to the extent possible, any confusion and unecessary costs to the program as a result of this conflict.

RURAL ELECTRIFICATION ADMINISTRATION

HISTORY OF REA

The Rural Electrification Administration assists rural electric and telephone organizations in obtaining the financing required to provide electric and telephone service in rural areas. These essential services help improve the quality of life for people who live, work, or do business throughout rural America. Financial assistance may include loans from REA, guarantees of loans made by

others, and REA approval of security arrangements which permit the borrower to obtain financing from other lenders without a guarantee.

REA was first established by Executive Order 7037 on May 11, 1935, as part of a general program of unemployment relief. It soon became clear, however, that the task of extending central station electric service to rural areas required very specialized skills (engineering, management, etc.) that would be difficult to attract if REA operated under the constraints of the unemployment relief authorization. REA was given its own statutory authorization by the Rural Electrification Act of May 20, 1936. It became part of the U.S. Department of Agriculture on July 1, 1939.

Federal support was needed to electrify rural America because most of the established utilities served high density areas and did not extend lines to farmers and other rural residents because such investments were not considered to be feasible.

When Congress established REA its purpose was to assure that funds would be available for rural electrification. Loans were made at interest rates that fluctuated with the cost of money to the government. It was not until 1944 that Congress established a fixed interest rate of two percent. The difficult task involved with the initial organizing and constructing of rural electric systems was made possible by the availability of capital from REA, innovative construction techniques, and the establishment of cooperatives.

The purpose of REA was expanded in 1949 when REA was authorized to loan funds for telephone service in rural areas. As in the case of electricity, it became clear that rural residents would not have access to adequate and dependable telephone service unless Federal support was provided. Both the rural telephone and rural electric programs of REA have been very successful toward achieving their goals.

During the late 1960's and early 1970's, rural electric and telephone leaders came to realize that their capital needs were growing at a very rapid rate and would very likely continue to grow. It was no longer reasonable to expect the government to meet all of their growing capital needs, and they had developed sufficient financial strength to obtain a portion of their capital needs from private sources. For these reasons, supplemental sources of financing were developed for both rural electric and telephone utilities.

The National Rural Utilities Cooperative Finance Corporation (CFC) was formed in 1969 by the rural electric cooperatives. It obtains funds from the private credit markets for its loans to electric systems. As of September 30, 1989, CFC had provided more than $4.7 billion in long-term loans to its membership, which includes 962 systems. In addition to CFC, rural electric systems obtain loan funds from the Banks for Cooperatives and other private sources.

The Rural Telephone Bank (RTB) was established in 1971 by Public Law 92-12 which amended the Rural Electrification Act. It is the primary supplemental source of financing for the growing capital needs of rural telephone systems.

The Rural Telephone Bank is managed by a 13-member board of directors. The Administrator of REA serves as Governor of the Bank until conversion to private ownership, control, and operation. This will take place when 51 percent of the Class A stock issued to

the United States and outstanding at any time after September 30, 1995, has been fully redeemed and retired. The Bank board holds at least four regularly scheduled meetings a year. Activities of the Bank are carried out by REA employees and the Office of the General Counsel of the U.S. Department of Agriculture.

In 1973, a major amendment to the Rural Electrification Act established the "Rural Electrification and Telephone Revolving Fund" (RETRF) for the purpose of making loans to REA electric and telephone borrowers. The amended Act established that loans to be made from the RETRF would be at a standard rate of five percent instead of the two perent rate at which REA loans had previously been made. The two percent rate was retained as a special rate for borrowers that met criteria specified in the Act. It was also available, at the Administrator's discretion, for hardship cases.

In addition to establishing the RETRF and increasing the interest rate on REA loans, the 1973 amendment authorized REA to guarantee loans made by other lenders. Today, these loan guarantees account for most of the loan funds obtained by electrification borrowers.

In 1981, Congress further amended the RE Act by eliminating the special two percent interest rate on loans to rural electric and telephone systems. Exceptions to the five percent rate may still be made at the discretion of the REA Administrator where there is a finding of hardship.

REA's programs have been very successful in extending electric and telephone service to persons in rural areas. By 1953 more than 90 percent of all farms in the U.S. had electricity; for telephone service, the 90 percent mark was passed in 1976.

In addition to financing the extension of electric and telephone service to rural areas, REA has provided credit to rural telephone utilities for system improvements that have dramatically upgraded the quality of telephone service in rural America.

Before the REA telephone program, rural telephone service was often antiquated and unreliable—even where it was available.

Today, modern and reliable telephone service is available for people who live, work or do business in rural areas. The availability of modern communications systems has improved the quality of life of rural people and has strengthened their local economies. Improvement continues as more rural residents receive single party service.

As of September 30, 1989, REA borrowers had received more than $60.8 billion from REA loans, guarantee commitments and RTB loans. Loan guarantee commitments account for most of this financing; however, a large proportion has been provided by REA loans at the two percent and five percent interest rates.

REA's record of principal and interest collections has been excellent. As of September 30, 1989, REA had collected more than $17.0 billion in principal and interest payments from the Rural Electric and Telephone Revolving Fund borrowers. Total losses to date have amounted to only $44,478.

RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND

LOAN AUTHORIZATIONS

1990 loan level	($1,794,375,000)
1991 budget estimate	(200,000,000)
Provided in the bill	(1,794,375,000)
Comparison:	
1990 loan level	.....
1991 budget estimate	(+1,594,375,000)

COMMITTEE PROVISIONS

For insured loans to rural electric systems the Committee provides a floor of $622,050,000 and a ceiling of $933,075,000. For insured telephone loans the Committee provides a floor of $239,250,000 and a ceiling of $311,025,000. The budget proposed to terminate these programs.

For guaranteed loans to rural electric systems the Committee provides a floor of $813,450,000 and a ceiling of $1,961,850,000. For guaranteed telephone loans the Committee provides a floor of $119,625,000 and a ceiling of $138,765,000.

REIMBURSEMENT FOR LOSSES

1990 appropriation	[1] $240,757,000
1991 budget estimate	.....
Provided in the bill	266,603,000
Comparison:	
1990 appropriation	+25,846,000
1991 budget estimate	+266,603,000

[1] Reflects sequester of $3,343,000 pursuant to P.L. 99-177.

This appropriation is to partially reimburse the Rural Electrification and Telephone Revolving Fund for the differential between interest income and interest costs.

The Committee feels that the Rural Electrification and Telephone Revolving Fund should be treated the same as the other revolving funds of USDA. In fiscal year 1991, the appropriations for interest and other losses of the other funds are as follows:

Rural housing insurance fund	$2,167,186,000
Agricultural credit insurance fund	5,620,159,000
Rural development insurance fund	1,466,160,000
Rural communication development fund	1,264,000

COMMITTEE PROVISIONS

For reimbursement for interest subsidies and losses for the Rural Electrification and Telephone Revolving Fund the Committee provides an appropriation of $266,603,000, an increase of $25,846,000 above the amount available for fiscal year 1990 and $266,603,000 above the budget request. This appropriation is mandatory budget authority and has no impact on outlays.

RURAL TELEPHONE BANK

1990 appropriation	$28,710,000
1991 budget estimate	.....
Provided in the bill	28,710,000
Comparison:	
1990 appropriation	.....
1991 budget estimate	+28,710,000

Public Law 92-12, approved May 7, 1971, amended the Rural Electrification Act to establish the Rural Telephone Bank as a supplemental source of financing for the growing capital needs of rural telephone systems. It also authorized U.S. stock purchases totaling $300,000,000 with up to $30,000,000 to be appropriated annually. Public Law 93-32, approved May 11, 1973, further amended the Act by providing that the Bank charge an interest rate based on the average cost of money to the Bank, but not less than 5 percent per annum.

Public Law 97-98, approved December 22, 1981, further amended the Act by providing for an authorization of an additional $300,000,000 in U.S. stock purchases with $30,000,000 to be appropriated annually.

COMMITTEE PROVISIONS

For the Rural Telephone Bank the Committee provides $28,710,000, the same as the amount available for fiscal year 1990 and $28,710,000 above the budget request.

DIRECT LOANS

1990 loan level	($177,045,000)
1991 budget estimate	(125,000,000)
Provided in the bill	(177,045,000)
Comparison:	
1990 loan level	.....
1991 budget estimate	(+52,045,000)

Public Law 92-12, approved May 7, 1971, amended the Rural Electrification Act of 1936, as amended, to establish the Rural Telephone Bank as a supplemental source of financing the rural telephone program. The Bank charges a single interest rate based on its average cost of money, but not less than 5 percent per annum. The Bank may borrow public or private funds in a total amount not to exceed 20 times the paid-in capital and retained earnings of the Bank.

COMMITTEE PROVISIONS

For the Rural Telephone Bank direct loans, the Committee provides a limitation of $177,045,000, the same as the fiscal year 1990 level and $52,045,000 above the budget request.

RURAL COMMUNICATION DEVELOPMENT FUND

REIMBURSEMENT FOR LOSSES

1990 appropriation	$1,329,000
1991 budget estimate	1,264,000
Provided in the bill	1,264,000
Comparison:	
1990 appropriation	−65,000
1991 budget estimate	.....

The rural communication development fund, an account under the rural development insurance fund, was established pursuant to Secretary's Memorandum No. 1988, approved May 22, 1979. The Memorandum transferred certain financing authorities under the

Consolidated Farm and Rural Development Act (U.S.C. 1921 et seq.) from the Farmers Home Administration to the Rural Electrification Administration for the purpose of financing and administering community antennae television services or facilities.

COMMITTEE PROVISIONS

For reimbursement for interest subsidies and losses for the rural communication development fund the Committee provides an appropriation of $1,264,000, a decrease of $65,000 below the amount available for fiscal year 1990 and the same as the budget request.

RURAL ECONOMIC DEVELOPMENT SUBACCOUNT

1990 appropriation	[1] $4,992,000
1991 budget estimate	
Provided in the bill	5,000,000
Comparison:	
1990 appropriation	+8,000
1991 budget estimate	+5,000,000

[1] Reflects sequester of $8,000 pursuant to P.L. 99-177.

The rural economic development subaccount was established by the Reconciliation Act of December 1987 (Public Law 101-203), which amended the Rural Electrification Act of 1936, by establishing a new section 313. Section 313 of the Rural Electrification Act (7 U.S.C. 901) established a cushion of credits payment program and created the rural economic development subaccount. Section 313 authorizes the Administrator of REA to utilize funds in this subaccount to provide grants or zero interest loans to REA borrowers for the purposes of promoting rural economic development and job creation projects, including funding for feasibility studies, startup costs, and other reasonable expenses for the purpose of fostering rural economic development.

COMMITTEE PROVISIONS

For the rural economic development subaccount the Committee provides an appropriation of $5,000,000, an increase of $8,000 above the amount available for fiscal year 1990 and $5,000,000 above the budget request. The Committee expects that the local REA cooperatives will continue to participate financially.

The Committee commends REA for having approved 72 development loans from its rural economic development subaccount through June of 1990. REA's small rural development subaccount is serving a very useful purpose in helping to create needed jobs to revitalize the rural economy.

The Committee recommends that REA consider increasing the maximum amount it has established for loans from its rural economic development subaccount. Section 313 of the Rural Electrification Act, which authorized this program, does not establish any maximum amount on individual loans. However, REA's regulation issued in February of 1989 to implement this important program sets a maximum of $100,000 on each loan. The Committee believes that this maximum is too low and recommends that REA consider increasing this to $250,000.

OFFICE OF THE ADMINISTRATOR

1990 appropriation	$194,000
1991 budget estimate	
Provided in the bill	229,000
Comparison:	
1990 appropriation	+35,000
1991 budget estimate	+229,000

The Office of the Administrator provides overall supervision and coordination for the programs of the Rural Electrification Administration under the law enacted by the Congress. Funding for this Office includes salaries and expenses for the Administrator, the Confidential Assistant to the Administrator and one secretary. All funds available to this Office are contained in this appropriation.

COMMITTEE PROVISIONS

For the Office of the Administrator of the Rural Electrification Administration the Committee provides an appropriation of $229,000, an increase of $35,000 above the amount available for fiscal year 1990 and $229,000 above the budget request. These funds were requested in the salaries and expenses account of the Rural Electrification Administration

The Rural Electrification Administration, in view of its expanded authority, is expected to report to the Committee on its overall operations each year in order that the primary obligations of its purpose not be neglected. Funds have been provided for that purpose.

SALARIES AND EXPENSES

1990 appropriation	$31,124,000
1991 budget estimate	33,055,000
Provided in the bill	32,826,000
Comparison:	
1990 appropriation	+1,702,000
1991 budget estimate	−229,000

In addition to ordinary administrative expenses, these funds are used to provide assistance to electrification borrowers and potential borrowers to negotiate for adequate supplies of power on reasonable terms. Business management and technical help are furnished borrowers where needed to protect the government's loan security, to assure that construction and operation of their systems conform to approved standards, and that the systems will provide continous and reliable service and facilitate the most effective use of resources to achieve program objectives.

COMMITTEE PROVISIONS

For salaries and expenses of the Rural Electrification Administration the Committee provides an appropriation of $32,826,000, an increase of $1,702,000 above the amount available for fiscal year 1990 and a decrease of $229,000 below the budget request.

The Committee expects that compliance of loan fund and accounting reviews will continue to be provided by the Rural Electrification Administration personnel and that the cost of such reviews will not be imposed on any borrower financed under the Rural Electrification Act. This function has always been performed by Rural Electrification field accountants because such reviews assure

compliance with loan purposes and benefit the government in providing loan security on funds authorized for insured, guaranteed and rural telephone bank loans.

The Committee has restored last year's bill language which requires that not less than $500,000 of the REA salaries and expenses funds shall be used to provide community and economic development technical assistance to rural electric and telephone systems.

Conservation

Office of the Assistant Secretary for Natural Resources and Environment

1990 appropriation	[1] $439,000
1991 budget estimate	[2] 538,000
Provided in the bill	520,000
Comparison:	
1990 appropriation	+81,000
1991 budget estimate	−18,000

[1] Reflects sequester of $6,000 pursuant to P.L. 99-177.
[2] The 1991 budget proposed that this activity be funded in a single account under the Office of the Secretary.

The Office of the Assistant Secretary for Natural Resources and Environment provides direction and coordination in carrying out the laws enacted by the Congress with respect to the natural resources and environment. The Office has oversight and management responsibilities for the Soil Conservation Service and the Forest Service.

COMMITTEE PROVISIONS

For the Office of the Assistant Secretary for National Resources and Environment the Committee provides an appropriation of $520,000, an increase of $81,000 above the amount available for fiscal year 1990 and a decrease of $18,000 below the budget request.

Soil Conservation Service

The Soil Conservation Service was established by the Act of April 27, 1935. Through the years, this Service, together with the agricultural conservation program and over 2 million conservation district cooperatives, has been a major factor in holding down pollution. The Soil Conservation Service works with conservation districts, watershed groups, and Federal and state agencies having related responsibilities in bringing about physical adjustments in land use that will conserve soil and water resources, provide for agricultural production on a sustained basis, and reduce damage by floods and sedimentation. The Service, with its dams, debris basins, and planned watersheds, provides technical advice on the agricultural conservation program, where the Federal Government pays about one-third of the cost, and, through these programs, has done perhaps more to hold down pollution than any other activity. These programs and water sewage systems in rural areas tend to hold pollution back from the areas of greatest damage, the rivers and harbors near our cities.

The watershed improvement programs of the Department of Agriculture were initiated by the authorization of planning and works

of improvement on the original 11 major watersheds covered by the Flood Control Act of 1944. In 1953 the Committee provided $5,000,000 in the 1954 Appropriations Act, without a prior budget estimate, to authorize 62 small "pilot" watershed projects to promote national interest in small upstream watershed control. These pilot projects were a tremendous success. The following year, the 83rd Congress enacted Public Law 566, which placed this program on a permanent basis. Under the authority of section 8 of this same Act, as amended, loans to local organizations were authorized to help defray a portion of the local share of the cost of watershed protection and flood prevention projects. These programs are now financed through three appropriations designated as "river basin surveys and investigations," "watershed planning" and "watershed and flood prevention operations."

While Congress has not heretofore designated Soil Conservation Service watershed appropriations by project or structure, it could become necessary.

CONSERVATION OPERATIONS

1990 appropriation	[1] $476,949,000
1991 budget estimate	506,998,000
Provided in the bill	509,056,000
Comparison:	
1990 appropriation	+32,107,000
1991 budget estimate	+2,058,000

[1] Reflects sequester of $4,051,000 pursuant to P.L. 99-177.

The basic objectives of conservation operations include use of land, within its capability, and applying treatments in accordance with its need for protection and improvement.

The Service provides technical help to farmers and ranchers in the 50 States, Puerto Rico, and the Virgin Islands in carrying out locally adapted soil and water conservation programs.

COMMITTEE PROVISIONS

Funds for the Soil Conservation Service are for the continuation of the regular soil conservation practices and come within the provision of law that appropriated funds shall be used only for the purpose for which appropriated (31 U.S.C. 1301).

For conservation operations the Committee provides an appropriation of $509,056,000, an increase of $32,107,000 above the amount available for fiscal year 1990 and $2,058,000 above the budget request.

There continues to be substantial nationwide support for the soil and water conservation programs. These programs and assistance provided to farmers and rural communities form the base for a sound agricultural community and a strong America. The Committee again rejects the proposal to reduce many of these programs.

The Committee is concerned that to much effort of the SCS the past five years has been concentrated on complying with providing conservation plans for producers while routine farmer technical assistance has been neglected. Funds for fiscal year 1991 are provided for the SCS to return to the basics of conservation operations. The SCS should emphasize providing farmers the assistance they need and request. This includes range management, water management,

irrigation management and forestry management. SCS can ill-afford to ignore the local conservation districts' priorities.

The Committee has provided an increase of not less than $17,623,000 for water quality initiatives and $639,000 to accelerate the update of plant materials centers.

For the Michigan subirrigation study the Committee has provided $375,000.

In addition to the amount normally allocated for the State of Arkansas, the Committee has included $452,000 for the 26-County Eastern Arkansas Water Conservation Study. The study was designed to review management practices to reduce severe groundwater quantity and quality problems. The study, to date, has identified two viable alternatives that would reduce groundwater problems. The Committee expects the Soil Conservation Service to give consideration to including west Poinsett County as one of the water quality initiatives' hydrologic units.

Severe flooding along the Ten Mile Creek watershed in Western Lucas County, Ohio, is a chronic problem. The Committee expects the Soil Conservation Service to review the situation and provide a comprehensive report on alternatives to controlling the flooding by January 1, 1991.

The Committee has provided funds for incidental expenses, such as transportation, uniforms, lodging and subsistence, as authorized, for volunteers, when such volunteers are engaged in the work of the Soil Conservation Service.

The State of Louisiana has initiated a multifacted coastal wetlands restoration effort. The Soil Conservation Service and the personnel of its Golden Meadow Plant Materials Center have special expertise in developing superior strains of plants designed to withstand changing ecological conditions in coastal marshes. This expertise could make a significant contribution to efforts by State and private interests to implement an aggressive revegetation program to reduce the losses of coastal marshes in Louisiana. The Committee expects the Service to investigate the feasibility of participating in this effort and to report its recommendations to the Committee by February 1, 1991.

RIVER BASIN SURVEYS AND INVESTIGATIONS

1990 appropriation	$12,292,000
1991 budget estimate	10,351,000
Provided in the bill	12,783,000
Comparison:	
1990 appropriation	+491,000
1991 budget estimate	+2,432,000

Section 6 of the Watershed Protection and Flood Prevention Act (Public Law 566, 83d Cong.), as amended (16 U.S.C. 1001–1008), provides for cooperation with other Federal, State and local agencies in making investigations and surveys of the watersheds of rivers and other waterways as a basis for the development of coordinated programs. Reports of the investigations and surveys are prepared to serve as a guide for the development of agricultural, rural, and upstream watershed aspects of water and related land resources, and as a basis for coordination of this development with downstream and other phases of water development.

COMMITTEE PROVISIONS

For river basin surveys and investigations the Committee provides an appropriation of $12,783,000, an increase of $491,000 above the amount available for fiscal year 1990 and $2,432,000 above the budget request.

WATERSHED PLANNING

1990 appropriation	$8,824,000
1991 budget estimate	6,875,000
Provided in the bill	9,176,000
Comparison:	
1990 appropriation	+352,000
1991 budget estimate	+2,301,000

The Watershed Protection and Flood Prevention Act (Public Law 566, 83d Cong.), as amended (16 U.S.C. 1001–1008), provides for cooperation between the Federal Government and the states and their political subdivisions in a program of watershed planning. Watershed plans form the basis for installing works of improvement for floodwater retardation, erosion control, and reduction of sedimentation in the watersheds of rivers and streams and to further the conservation, development, utilization, and disposal of water.

The work of the Department in watershed planning consists of assisting local organizations to develop their watershed work plan by making investigations and surveys in response to requests made by sponsoring local organizations. These plans describe the soil erosion, water management, and sedimentation problems in a watershed and works of improvement proposed to alleviate these problems. Plans also include estimated benefits and costs, cost-sharing and operation and maintenance arrangements, and other appropriate information necessary to justify Federal assistance for carrying out the plan.

COMMITTEE PROVISIONS

For watershed planning the Committee provides an appropriation of $9,176,000, an increase of $352,000 above the amount available for fiscal year 1990 and $2,301,000 above the budget request.

WATERSHED AND FLOOD PREVENTION OPERATIONS

1990 appropriation	[1] $239,867,000
1991 budget estimate	151,112,000
Provided in the bill	191,544,000
Comparison:	
1990 appropriation	−48,323,000
1991 budget estimate	+40,432,000

[1] Reflects sequester of $2,306,000 pursuant to P.L. 99–177. Reflects supplemental appropriation of $60,000,000.

The Watershed Protection and Flood Prevention Act (Public Law 566, 83d Cong.), as amended (16 U.S.C. 1001–1008), provides for cooperation between the Federal Government and the states and their political subdivisions in a program to prevent erosion, floodwater, and sediment damages in the watersheds or rivers and streams and to further the conservation, development, utilization and disposal of water.

The work of the Department under this item includes technical and financial assistance for the installation of works of improvement specified in approved watershed work plans including structural measures and land treatment measures and program evaluation studies in selected watershed projects to determine the effectiveness of structural and land treatment measures installed; and making loans to local organizations to finance the local share of the costs of installing planned works of improvement.

COMMITTEE PROVISIONS

For the watershed and flood prevention operations the Committee provides an appropriation of $191,544,000, a decrease of $48,323,000 below the amount available for fiscal year 1990 and an increase of $40,432,000 above the budget request.

For the operations authorized by Public Law 534 the Committee provides $27,789,000, an increase of $1,900,000 above the amount available for fiscal year 1990 and $7,571,000 above the budget request.

For the emergency watershed protection program the Committee provides $20,000,000, a decrease of $59,855,000 below the amount available for fiscal year 1990 and an increase of $9,959,000 above the budget request. In May of fiscal year 1990 Congress provided $60,000,000 in supplemental funds for this program. Heavy rains and major flooding since then have depleted these funds. Damage estimates are not yet complete. It is anticipated repair costs will be significant.

For small watersheds authorized by Public Law 566 the Committee provides $143,755,000, an increase of $9,632,000 above the amount available for fiscal year 1990 and $22,902,000 above the budget request.

As in the past, in order to ensure that funds for the watershed and flood prevention operations program are used in a manner consistent with congressional intent, the Committee will expect the Department to initiate not less than 20 new construction starts under the Public Law 566 program and not less than 5 new starts under the Public Law 534 program. The Committee has included a General Provision in the bill which provides that the Secretary shall initiate these new starts.

The Committee is aware of the interest in an additional water supply in Union County and adjacent counties in Mississippi. The Committee will expect the SCS to prepare a study on the situation.

The Soil Conservation Service is directed to submit a plan for handling floods on Ascalmore Creek, Mississippi.

Yazoo Basin, Mississippi, Demonstration Erosion Control (a joint program with the Army Corps of Engineers, Agricultural Research Service and Soil Conservation Service).—Erosion and drainage problems in the United States are becoming more acute with exponential population growth and its attendant land clearing for food and fiber production and urban development. Conversion of forests, woodlands, ranges, meadows, and wetlands to agricultural uses, including the shifting of uncultivated or little cultivated pasture and farmland to a more extensive tiller agriculture, contribute significantly to the velocity, peaking characteristics, and total volume of

runoff reaching the Nation's streams and rivers. Likewise, the higher runoff rates and volumes, and the lower groundwater tables being experienced throughout the country exemplify the hydrologic effects of increased urbanization.

Despite the damages prevented by Federal projects in 1983 and 1984, 322 lives were lost and over 51 million acres of land were inundated by floods during those same two years. Studies show that within the Lower Mississippi Valley alone about 6 million acres of farmland were flooded in 1984. Another 6.7 million acres in the Lower Mississippi Valley were flooded during the next three years.

In fiscal year 1983 Public Law 98-8 contained legislation addressing the need for vital flood control and soil conservation work caused by disastrous hurricanes and rains which covered much of the United States, including the Lower Mississippi Valley which drains over 40 percent of the United States. The legislation provided for cooperative work between the Corps of Engineers and the Soil Conservation Service in an effort to hold back the water in the watershed areas to prevent disastrous flooding. Legislation since then has directed the continuation of this program.

A joint interagency task force was established to develop the program. The task force was composed of the Soil Conservation Service, Corps of Engineers-Vicksburg District, the Agricultural Research Service Sedimentation Laboratory and the Corps of Engineers Waterways Experiment Station. The bill includes $7,000,000 for the Soil Conservation Service to continue work in eligible projects. Those watersheds include: Otoucalofa Creek, Hotophia Creek, Hickahala and Senatobia Creeks, Long Creek, Black Creek, Burney Creek, Pelucia Creek, Town Creek, Toby Tubby Creek, Coldwater River, Hurricane-Wolf Creek, Mussocuna-Cane Creeks, Batupan Bogue, Sherman Creek, and Abiaca Creek. The Committee is pleased with the progress the Soil Conservation Service and the Corps of Engineers are making on the Demonstration Erosion Control Project. These funds will be in addition to $12,000,000 budgeted by the Corps of Engineers as their part of the joint project. The Soil Conservation Service shall cooperate with the Corps of Engineers in assisting land owners in keeping drainage from adjoining lands open, while protecting banks from caving.

The joint plan developed by the Corps of Engineers and the Soil Conservation Service to reduce these problems will include a combination of major grade control structures, flood water retarding structures, minor grade control structures, channel cleanout, drift removal, bank stabilization and land treatment measures. The design and construction of these needed works will be included as part of the ongoing Demonstration Erosion Control Project being conducted jointly by these two agencies.

RESOURCE CONSERVATION AND DEVELOPMENT

1990 appropriation	[1] $27,255,000
1991 budget estimate	24,862,000
Provided in the bill	29,900,000
Comparison:	
1990 appropriation	+2,645,000
1991 budget estimate	+5,038,000

[1] Reflects sequester of $365,000 pursuant to P.L. 99-177.

The Soil Conservation Service has general responsibility under provisions of section 102, title I of the Food and Agriculture Act of 1962, for developing overall work plans for resource conservation and development projects in cooperation with local sponsors; to help develop local programs of land conservation and utilization; to assist local groups and individuals in carrying out such plans and programs; to conduct surveys and investigations relating to the conditions and factors affecting such work on private lands; and to make loans to project sponsors for conservation and development purposes and to individual operators for establishing soil and water conservation practices.

COMMITTEE PROVISIONS

For resource conservation and development the Committee provides an appropriation of $29,900,000, an increase of $2,645,000 above the amount available for fiscal year 1990 and $5,038,000 above the budget request.

The Committee is aware of the significant backlog of unfunded applications in the RC&D program and has provided additional resources to assist new areas. The Committee expects that all existing areas will receive, if requested, at least the same level of funding as in fiscal year 1990.

GREAT PLAINS CONSERVATION PROGRAM

1990 appropriation	$20,884,000
1991 budget estimate	24,637,000
Provided in the bill	24,637,000
Comparison:	
1990 appropriation	+3,753,000
1991 budget estimate	

The Great Plains conservation program was authorized under Public Law 1021, 84th Congress (16 U.S.C. 590p), as amended. Public Law 91-118 extended the Great Plains cost share contracting authority to December 31, 1981. Public Law 96-263 extended the program until September 30, 1991. This program provides technical assistance and long-term cost sharing to land users in the counties of the Great Plains States plagued with recurring wind erosion problems. It is designed to provide needed protection and improvement of soil, water, plant, and wildlife resources of that vast agricultural area. Installation of complete conservation programs on entire operating units in the area helps to stabilize the local economy while assisting the individual producers. The work supplements other soil and water conservation programs and activities in counties designated by the Secretary. It is also coordinated with programs and objectives of locally managed conservation districts, state agencies, and community groups. This program contributes to total environmental improvement through reduction of wind and water erosion and sedimentation and abatement of agriculture related pollutants.

COMMITTEE PROVISIONS

For the Great Plains conservation program the Committee provides an appropriation of $24,637,000, an increase of $3,753,000 above the amount available for fiscal year 1990 and the same as

the budget request. The Committee expects the program to be operated as it was in fiscal year 1990.

Agricultural Stabilization and Conservation Service

In addition to the agricultural program discussed earlier, the ASCS administers the following conservation programs:

AGRICULTURAL CONSERVATION PROGRAM

1990 appropriation	[1] $182,369,000
1991 budget estimate	176,000,000
Provided in the bill	197,935,000
Comparison:	
1990 appropriation	+15,566,000
1991 budget estimate	+21,935,000

[1] Reflects sequester of $2,566,000 pursuant to P.L. 99-177.

This program is authorized by the provisions of sections 7 to 16(a), inclusive, 16(f), and section 17 of the Soil Conservation and Domestic Allotment Act, as amended. Its objectives include (1) restoring and improving soil fertility, (2) reducing erosion caused by wind and water and (3) conserving water on land. Cost sharing assistance is furnished to individual farmers and ranchers in the 50 States, Puerto Rico, and the Virgin Islands for carrying out approved soil-building and soil- and water-conserving practices on their farms. This assistance represents only a part of the cost of performing the practices. The farmer bears the balance of the cost and, in addition, supplies labor and management necessary to carry out the practices.

In the opinion of the majority of the Members of the Committee, the funds expended through this program return to the Nation the greatest possible conservation benefits. Further, this program provides the best possible means of meeting local conservation needs in all areas of the country. It is far more effective than many other approaches proposed in recent years.

Conservation practices under this program are developed initially at the local level by ASC state and county committees, the Soil Conservation Service, and the Federal Forest Service. Representatives of the land-grant colleges, the Farmers Home Administration, state conservation committees, and other state and Federal agricultural agencies also participate in these determinations.

The recommendations of these groups are used as the basis to formulate joint recommendations to the Agricultural Stabilization and Conservation Service in Washington. From these recommendations, the various agencies of the Department in Washington develop and recommend to the Secretary of Agriculture a national program. State and local people then develop their local programs within the structure of the national program approved by the Secretary. No practices are adopted and put into effect in any state or county unless approved by the local conservation groups.

In terms of accomplishments, this program has resulted in the planting of nearly 9 million acres of trees, the construction of over 2 million water impoundment structures, and the terracing of over 40 million acres of land. It has been our first line of protection through the years against floods, drought, dust storms, soil erosion,

and other recurring onslaughts against our natural resources. The following table from the Department of Agriculture indicates the significant contribution of ACP to the national conservation efforts:

AGRICULTURAL CONSERVATION PROGRAM—PRACTICES PERFORMED IN 1988 AND TOTAL ACCOMPLISHMENTS 1936–88

Practice	Unit	Extent under 1988 program	Total accomplishments 1936–1988
Water impoundment reservoirs constructed to reduce erosion, distribute grazing, conserve vegetative cover and wildlife, or provide fire protection and other agricultural uses.	1,000 structures	21	2,605
Terraces constructed to reduce erosion, conserve water, or prevent or abate pollution.	1,000 acres	964	40,945
Stripcropping systems established to reduce wind or water erosion or to prevent or abate pollution.	do	139	116,200
Trees or shrubs planted for forestry purposes, erosion control or environmental enhancement.	do	252	8,970
Forest tree stands improved for forestry purposes or environmental enhancement.	do	38	5,239
Wildlife conservation	do	48	[1] 14,946
Sediment pollution-abatement structures or runoff control measures	do	474	[2] 21,739
Conservation tillage including reduced tillage and no-till	do	445	[3] 6,751

[1] From 1962 with certain data estimated.
[2] From 1970.
[3] From 1973.

COMMITTEE PROVISIONS

Funds for the conservation programs are for the continuation of the regular soil conservation practices and come within the provision of law that appropriated funds shall be used only for the purpose for which appropriated (31 U.S.C. 1301).

For the agricultural conservation program the Committee provides an appropriation of $197,935,000, an increase of $15,566,000 above the amount available for fiscal year 1990 and $21,935,000 above the budget request.

Without the aid of the agricultural conservation program many farmers would not have the financial ability to control erosion and provide quality water management practices on their lands. The Food Security Act of 1985 will require millions of dollars in implementing conservation plans. The ability of the agricultural conservation program to assist will only be minimal but a much needed support. While the Committee supports the Department's water quality and quantity initiative, it is concerned with the increasing rate that the basic agricultural conservation program is being constrained because of the initiative. The Committee has provided an increase for the agricultural conservation program, of which not more than $30,000,000 is for water quality special projects, hydrologic units and demonstration projects. The water quality initiative is to be in addition to the regular program.

FORESTRY INCENTIVES PROGRAM

1990 appropriation	$12,446,000
1991 budget estimate	12,446,000
Provided in the bill	12,446,000

Comparison:	
1990 appropriation	
1991 budget estimate	

The forestry incentives program is authorized by the Cooperative Forestry Assistance Act of 1978 (Public Law 95–313). Its purpose is to encourage the development, management and protection of non-industrial private forest lands. This program will be carried out by providing technical assistance and long-term cost sharing agreements with private landowners.

COMMITTEE PROVISIONS

For the forestry incentives program the Committee provides an appropriation of $12,446,000, the same as the amount available for fiscal year 1990 and the same as the budget request.

WATER BANK PROGRAM

1990 appropriation	[1] $12,240,000
1991 budget estimate	10,498,000
Provided in the bill	10,498,000
Comparison:	
1990 appropriation	−1,742,000
1991 budget estimate	

[1] Reflects sequester of $131,000 pursuant to P.L. 99–177.

The Water Bank Act was signed into law on December 9, 1970, and amended by Public Law 96–182, approved January 2, 1980. Its purpose is to preserve and restore wetlands of the Nation in order to conserve surface waters and improve the habitat for migratory waterfowl. It authorizes ten-year agreements with annual payment to landowners to preserve such lands.

COMMITTEE PROVISIONS

For the water bank program the Committee provides an appropriation of $10,498,000, a decrease of $1,742,000 below the amount available for fiscal year 1990 and the same as the budget request.

EMERGENCY CONSERVATION PROGRAM

1990 appropriation	[1] $29,927,000
1991 budget estimate	
Provided in the bill	10,000,000
Comparison:	
1990 appropriation	−19,927,000
1991 budget estimate	+10,000,000

[1] Reflects sequester of $73,000 pursuant to P.L. 99–177. Reflects supplemental appropriation of $20,000,000.

This appropriation funds the activities authorized by the Agricultural Credit Act of 1978 (Public Law 95–334). Under the program, the government shares a portion of the cost (up to 80 percent) of carrying out approved practices to assist and encourage farmers to rehabilitate farmlands damaged by natural disasters.

Funds are allocated for use only in those counties designated as disaster counties. Assistance is made available to treat new conservation problems which (1) if not treated, will impair or endanger the land, (2) materially affect the productive capacity of the land, (3) represent damage which is unusual in character and except for

wind erosion is not the type which would recur frequently in the same area, and (4) will be so costly to rehabilitate that Federal assistance is or will be required to return the land to productive agricultural use.

COMMITTEE PROVISIONS

For the emergency conservation program the Committee provides an appropriation of $10,000,000, a decrease of $19,927,000 below the amount available for fiscal year 1990 and an increase of $10,000,000 above the budget request.

COLORADO RIVER BASIN SALINITY CONTROL PROGRAM

1990 appropriation	[1] $10,341,000
1991 budget estimate	14,783,000
Provided in the bill	14,783,000
Comparison:	
1990 appropriation	+4,442,000
1991 budget estimate	

[1] Reflects sequester of $79,000 pursuant to P.L. 99-177.

The Colorado River Basin salinity control program established by section 101 of title II of the Colorado River Basin Salinity Control Act of 1974 (Public Law 93-320), as amended. The program is a cooperative endeavor by the Agricultural Stabilization and Conservation Service (ASCS), Soil Conservation Service (SCS), and Extension Service (ES). The program is to assist landowners and others in the Colorado River Basin in establishing on-farm irrigation management systems and related lateral improvement measures to decrease the salt load and sedimentation level in the Colorado River and to enhance the supply and quality of water available for use in the United States and the Republic of Mexico.

COMMITTEE PROVISIONS

For the Colorado River Basin salinity control program the Committee provides an appropriation of $14,783,000, an increase of $4,442,000 above the amount available for fiscal year 1990 and the same as the budget request.

CONSERVATION RESERVE PROGRAM

1990 appropriation	$1,010,978,000
1991 budget estimate	1,878,038,000
Provided in the bill	1,314,926,000
Comparison:	
1990 appropriation	+303,948,000
1991 budget estimate	−563,112,000

The conservation reserve program (CRP) authorized by the Food Security Act of 1985 (Public Law 99-198) was established as a voluntary program to help farmers prevent or control the critical soil erosion now occurring on more than a third of America's cropland. Unchecked, soil erosion would reduce the Nation's long-term capability to produce food and fiber.

The CRP is authorized in all 50 States, Puerto Rico and the Virgin Islands on highly erodible cropland. Cropland is defined as land that has been annually tilled to produce an agricultural commodity, including sugarcane, other than orchards, vineyards, or or-

namental planting or has been set aside in a production adjustment program in two of the crop years from 1981 through 1985 and is suitable for crop production. Alfalfa and other grasses and legumes in rotation are considered an agricultural commodity for CRP purposes.

The CRP is administered under the general supervision of the Administrator, ASCS, and is carried out in the field by state and local ASC committees. Technical assistance is provided by the Soil Conservation Service, which determines eligibility of the land and assists farmers in preparing conservation plans, the Forest Service and cooperating state forestry agencies, which plan for tree planting and install planned practices involving trees, and other appropriate agencies.

Under the program, farmers enter into a 10-year contract with USDA to take eligible land out of annual crop production and put it into permanent vegetative cover. Farmers decide what highly erodible cropland to offer for the reserve and bid what they would accept for an annual rental payment for the 10-year period at the time of application. In addition, farmers receive one-time payments of 50 percent of the eligible costs of establishing vegetative cover on the reserve acreage.

The Food Security Act establishes the following participation levels:

Crop year 1986—5-45 million acres;
Crop year 1987—15-45 million acres, cumulative;
Crop year 1988—25-45 million acres, cumulative;
Crop year 1989—35-45 million acres, cumulative; and
Crop year 1990—40-45 million acres, cumulative.

COMMITTEE PROVISIONS

For the conservation reserve program the Committee provides an appropriation of $1,314,926,000, an increase of $303,948,000 above the amount available for fiscal year 1990 and a decrease of $563,112,000 below the budget request.

The budget request was based on an additional sign-up of CRP acres during fiscal year 1990. That sign-up appears unlikely and the Committee has reduced the funding accordingly.

TITLE III—DOMESTIC FOOD PROGRAMS

OFFICE OF THE ASSISTANT SECRETARY FOR FOOD AND CONSUMER SERVICES

1990 appropriation	[1] $407,000
1991 budget estimate	[2] 485,000
Provided in the bill	485,000
Comparison:	
1990 appropriation	+78,000
1991 budget estimate	

[1] Reflects sequester of $5,000 pursuant to P.L. 99-177.
[2] The 1991 budget proposed that this activity be funded in a single account under the Office of the Secretary.

The Office of the Assistant Secretary for Food and Consumer Services provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department's food and consumer activities. The Office has oversight and management responsibilities for the Food and Nutrition Service and Human Nutrition Information Service.

COMMITTEE PROVISIONS

For the Office of the Assistant Secretary for Food and Consumer Services the Committee provides an appropriation of $485,000, an increase of $78,000 above the amount available for fiscal year 1990 and the same as the budget request.

FOOD AND NUTRITION SERVICE

The Food and Nutrition Service was established August 8, 1969, by Secretary's Memorandum No. 1659 and Supplement 1. It represents an organizational effort to eliminate hunger and malnutrition in this country. Food assistance programs are intended to provide access to a nutritionally adequate diet for families and persons with low incomes, and encourage better eating patterns among the Nation's children. These programs include:

Special milk program.—Assistance is provided to the states for making reimbursement payments to eligible schools and child care institutions which institute or expand milk service in order to increase the consumption of fluid milk by children.

School lunch programs and nonschool food programs.—Federal assistance is provided to the States, Puerto Rico, Virgin Islands, and Guam for use in serving nutritious lunches and breakfasts to children attending schools of high school grades or under, to children of preschool age in child care centers, and children in other institutions in order to improve the health and well-being of the Nation's children, and broaden the markets for agricultural food commodities.

Food stamp program.—This program is aimed at making more effective use of the Nation's food abundance and at improving nutritional standards of needy persons and families through the issuance of food coupons which may be used in retail stores for the purchase of food.

Nutrition assistance for Puerto Rico.—The Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35) authorized a block grant for nutrition assistance to Puerto Rico which gives the Commonwealth broad flexibility in establishing a food assistance program that is specifically tailored to the needs of its low-income households.

Special supplemental food program for women, infants and children (WIC).—This program safeguards the health of pregnant, postpartum and breast-feeding women, infants and children who are at nutritional risk because of inadequate nutrition and inadequate income. Delivery of supplemental food may be done through health clinics, vouchers redeemable at retail food stores, or other approved methods which a cooperating state health agency may select.

Commodity supplemental food program (CSFP).—This program provides supplemental foods to infants and children up to age six, and to pregnant, postpartum and breast-feeding women who are at nutritional risk, have low incomes, and reside in approved project areas. In addition, this program is operating commodity distribution projects directed at low-income elderly persons.

Food donations programs for selected groups.—Agricultural commodities are provided to needy persons on Indian reservations and to residents of the Pacific Territory of Palau and Federated States of Micronesia and the Marshall Islands to improve nutrition. Cash assistance is provided to distributing agencies to assist them in meeting administrative expenses incurred. Commodities or cash in lieu of commodities are provided to assist nutrition programs for the elderly.

Temporary emergency food assistance program.—This program provides commodities, cash subsidies, and grant funds to state agencies to assist in the cost of storage and distributing commodities donated to needy individuals.

Food program administration.—This represents all salaries and Federal operating expenses of the Food and Nutrition Service. As of September 30, 1989, there were 1,937 full-time permanent and 49 part-time and temporary employees in the agency. There were 433 employees in 78 field locations, 924 in seven regional offices, and 629 in the Washington headquarters.

Funds for strengthening markets, income and supply (section 32).—This includes the donation of commodities purchased under the surplus removal activities of the Agricultural Marketing Service. Special programs provide food to needy children and adults who are suffering from general and continued hunger.

CHILD NUTRITION PROGRAMS

	Appropriation	Transfer from section 32	Total
1990 appropriation [1]	$730,882,000	($4,156,554,000)	($4,887,436,000)
1991 budget estimate	473,575,000	(4,632,259,000)	(5,105,834,000)

	Appropriation	Transfer from section 32	Total
Provided in the bill	569,038,000	(4,696,501,000)	(5,265,539,000)
Comparison:			
1990 appropriation	−161,844,000	(+539,947,000)	(+378,103,000)
1991 budget estimate	+95,463,000	(+64,242,000)	(+159,705,000)

[1] Reflects sequester of $58,000 pursuant to P.L. 99-177.

Working through state agencies, the Food and Nutrition Service provides Federal assistance in cash and commodities for use in preparing and serving nutritious meals to children while they are attending school, residing in service institutions, or participating in other organized activities away from home. The purpose is to help maintain the health and proper physical development of American children. The child nutrition account includes the national school lunch program, the school breakfast program, the meal programs for nonschool activities, and adult day care as authorized by the Older Americans Act. Grants are also made for nutritional training and surveys and for state administrative expenses. Under current legislation, most of these payments are made on the basis of reimbursement rates established by law applied to lunches and breakfasts actually served by the states.

The Child Nutrition and WIC Reauthorization Act of 1989, Public Law 101-147, contained a number of child nutrition provisions. These include:

Summer Food Service Program (SFSP).—Reauthorized and expanded SFSP to private, nonprofit organizations under certain conditions.

School Breakfast Program (SBP).—Provided start-up grants for programs serving low-income children.

Child and Adult Care Food Program (CACFP).—Provided funds for demonstration projects to expand services to homeless children and family day care homes in low-income areas.

National School Lunch Program (NSLP).—(1) Mandated unified system for compliance and accountability which would integrate Federal and state efforts and provide for increased Federal monitoring of SFSP operations. (2) Authorized the Food Service Management Institute to improve school food service operations.

Nutrition Education and Training (NET).—Required demonstration projects and studies to examine a number of program issues and increased the authorization level.

COMMITTEE PROVISIONS

For the child nutrition programs the Committee provides a total of $5,265,539,000, an increase of $378,103,000 above the amount available in fiscal year 1990 and $159,705,000 above the budget request. Of the total amount provided, $569,038,000 is by direct appropriation and $4,696,501,000 is by transfer from section 32.

The Committee provides an increase of $2,500,000 for nutrition education and training. The Committee supports this program as an effective means of training food service personnel in food service management, instructing teachers in nutrition education, and teaching children the fundamentals of nutrition. The Committee

feels this is a step in the right direction toward building good food habits in our Nation.

The Committee provides $500,000 for activities related to the Food Service Management Institute at the University of Mississippi. The University may contract with and work in conjunction with others to accomplish the goals and objectives of the Institute.

The Committee expects the Department to continue its efforts under the Federal Review System in conjunction with state and local level reviews.

The Committee provides for the child nutrition programs at the following annual rates:

TOTAL OBLIGATIONAL AUTHORITY

	Amount
Child nutrition programs:	
School Lunch Program	$3,223,888,000
School Breakfast Program	606,036,000
State administrative expenses	64,389,000
Summer Food Service Program	179,716,000
Child Care Food Program	953,106,000
Commodity procurement	223,666,000
Nutrition studies and surveys	3,085,000
Nutrition education and training	7,500,000
Federal Review System	3,653,000
Food Service Management Institute	500,000
Total available	$5,265,539,000

SPECIAL MILK PROGRAM

1990 appropriation	[1] $20,309,000
1991 budget estimate	19,268,000
Provided in the bill	19,268,000
Comparison:	
1990 appropriation	−1,041,000
1991 budget estimate	

[1] Reflects sequester of $140,000 pursuant to P.L. 99-177.

This program is designed to increase the consumption of fluid milk by children in nonprofit schools of high school grade and under, child care centers, summer camps, and similar nonprofit insitutitions.

Funds are provided to state agencies to reimburse eligible participants for all or part of the cost of fluid milk consumed.

Under Public Law 97-35, participation in the program is restricted to schools and institutions that do not participate in another meal service program authorized by the Child Nutrition or School Lunch Acts. Effective October 1, 1986, based on authority in Public Law 99-661, children in split session kindergarten programs in nonprofit schools, who do not have access to the meal service programs operating in those schools, may participate in the program.

COMMITTEE PROVISIONS

For the special milk program the Committee provides an appropriation of $19,268,000, a decrease of $1,041,000 below the amount available for fiscal year 1990 and the same as the budget request.

SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS AND CHILDREN (WIC)

1990 appropriation	[1] $2,125,958,000
1991 budget estimate	2,215,248,000
Provided in the bill	2,350,000,000
Comparison:	
1990 appropriation	+224,042,000
1991 budget estimate	+134,752,000

[1] Reflects sequester of $42,000 pursuant to P.L. 99-177.

The special supplemental food program for women, infants and children (WIC) safeguards the health of pregnant and lactating women, and infants and children who are at nutritional risk because of inadequate nutrition and inadequate income.

The Child Nutrition and WIC Reauthorization Act of 1989, Public Law 101-147, reauthorized and added provisions to the program. These include:

Cost Containment Initiatives to Expand Participation.—(1) Required state agencies with retail food delivery systems to use a competitive bidding system or a system with equal savings for the procurement of infant formula. Savings are to be used to expand program participation. (2) Permitted States with an approved cost containment system to use first quarter funds to cover obligations incurred during the fourth quarter of the preceding fiscal year.

COMMITTEE PROVISIONS

For the special supplemental food program for women, infants and children (WIC) the Committee provides $2,350,000,000, an increase of $224,042,000 above the amount available for fiscal year 1990 and $134,752,000 above the budget request. Within this total the Committee has also provided $25,000,000 for a reserve. The Committee expects the Department to continue the Farmers' Market Demonstration projects started in fiscal year 1989 and will expect updated status reports on the projects.

On June 28, 1990, Congress approved a bill allowing the states to borrow up to 3 percent of their fiscal year 1991 allocation to meet the needs of the WIC program. This matter is not addressed at this time, pending a report on what is needed.

The Committee considers WIC to be of its highest priority for funding considerations. In the last nine years alone, the Committee has added over $1 billion above the Administration's budget requests.

The Committee is concerned about the recent problems facing the WIC program. The cost of certain foods in the food package increased substantially above the percentage estimated for inflation. The price of orange juice rose significantly in the aftermath of the November-December freeze and milk prices showed the steepest increase in more than ten years. Because no one can predict problems such as these, the Committee has provided an additional $25,000,000, to be made available only if needed, to meet unanticipated changes in the program. The Committee believes giving the Secretary the discretion to use such funds on an emergency basis will assist states from having to take participants off the roles or reduce the food packages in order to cover such unanticipated pro-

gram changes. The Committee also believes the impact of these problems could have been lessened with early planning. The Committee expects the Department to issue monthly reports to state WIC directors which contain economic information. Vital information is readily available from the Economic Research Service. This information would assist states in making management decisions when administering the program.

The benefits to participants of WIC are well documented, including fewer premature births, fewer late fetal deaths, better dietary benefits for the most nutritionally at risk, more regular medical care, and better cognitive performance in children. WIC has been proven to be the second most cost-effective program for reducing infant mortality in the United States. Even with this excellent record, much remains to be done to optimize the program's impact on maternal and child health. The Committee expects the Department to work closely with states to better target participation to the most nutritionally at risk. The program should direct its resources to those most likely to benefit and should work to enroll those hard to reach eligibles. In conjunction with the fiscal year 1992 budget request, the Committee directs the Department to submit information displaying the percent eligible and those participating in each nutritional risk category. Funds have been provided for collecting this information.

The Committee is aware of significant decreases in infant formula rebate bids. This trend could severely hinder the ability of States to expand the WIC program. The Committee expects the Department to follow this issue closely and work with the states to minimize any impact this would have.

In addition to Federal funds for WIC, many states have provided supplemental funding to enable that state to increase its participation. The Committee is concerned that, with major participation advances because of increased Federal funds and cost containment activity, states may reduce their efforts in support of WIC. The Committee believes this would be a step in the wrong direction toward solving the Nation's hunger and nutrition problems.

The Committee believes that current methods used to determine the inflation increase for a state's WIC allocation do not accurately reflect the increase in the costs of the WIC food package. Therefore, the Committee expects the Department to develop an inflation index for use in adjusting the WIC allocations based upon foods that are prescribed for use in the WIC food package.

COMMODITY SUPPLEMENTAL FOOD PROGRAM (CSFP)

1990 appropriation	[1] $68,128,000
1991 budget estimate	62,932,000
Provided in the bill	81,928,000
Comparison:	
1990 appropriation	+13,800,000
1991 budget estimate	+18,996,000

[1] Reflects supplemental appropriation of $3,100,000.

The commodity supplemental food program (CSFP) provides supplemental food to infants and children up to age six, and to pregnant, postpartum and breast-feeding women who are at nutritional risk, have low incomes, and reside in approved project areas. In ad-

dition, this program is operating commodity distribution projects directed at low-income elderly persons.

COMMITTEE PROVISIONS

For the commodity supplemental food program (CSFP) the Committee provides an appropriation of $81,928,000, an increase of $13,800,000 above the amount available for fiscal year 1990 and $18,996,000 above the budget request.

The Committee rejects the budget proposal to combine CSFP with the food donations program.

The amount recommended is based on revised estimates of current services. The increase in appropriations also provides for the maintenance of caseload levels based on fiscal year 1990 Supplemental action and possible program expansion. The Committee expects CSFP to continue expansion of the elderly commodity supplemental feeding program. The Committee still believes that in areas where mothers, infants and children are adequately served, unused caseload should be converted to the elderly program.

The Committee is aware that, because of the length of time involved in approving new site applications, new program operators within a state sometimes have a difficult time fulfilling their allocated caseload the first year. This results in an overall reduction of caseload levels to the state the next year. The Committee expects FNS to review this matter and provide the states with alternative methods of protecting new program operator caseloads the first year.

FOOD STAMP PROGRAM

1990 appropriation	[1] $16,906,339,000
1991 budget estimate	16,801,681,000
Provided in the bill	19,038,806,000
Comparison:	
1990 appropriation	+2,132,467,000
1991 budget estimate	+2,237,125,000

[1] Reflects sequester of $757,000 pursuant to P.L. 99-177. Reflects supplemental appropriations of $1,200,000,000.

The food stamp program, authorized by the Food Stamp Act of 1964, attempts to alleviate hunger and malnutrition among low-income persons by increasing their food purchasing power. Eligible households receive food stamps with which they can purchase food through regular retail stores. They are thus enabled to obtain a more nutritious diet than would be possible without food stamp assistance.

Participating households receive free food stamps in amounts determined by household size and income. Since March 1975, food stamp projects have been established throughout the country. State social service agencies assume responsibility for certifying eligible households and issuing the stamps through suitable outlets. The Food and Nutrition Service establishes various household stamp allotments.

Authorized grocery stores accept the stamps as payment for food purchases and forward them to commercial banks for cash or credit. The stamps flow through the banking system to a Federal

Reserve Bank for redemption out of a special account maintained by the U.S. Treasury Department.

ADMINISTRATIVE COSTS

All direct and indirect administrative costs incurred for certification of households, issuance of food coupons, quality control, outreach and fair hearing efforts are shared by the Federal Government and the states on a 50–50 basis. Federal funding is provided for 75 percent of automation costs incurred by state agencies to improve food stamp operations and 75 percent of the costs of state food stamp program investigations and prosecutions.

In addition, state agencies which reduce quality control error rates below 5 percent receive a 60 percent match of their administrative expenses. Also, state agencies are paid up to 100 percent of the costs of administering the program on Indian reservations. The food stamp program is in operation in all 50 States, the Virgin Islands, Guam, and the District of Columbia.

The Food Stamp Act Amendments of 1982 provided for the establishment of a system for levying fiscal sanctions on states which fail to reduce high error rates below a prescribed target.

OTHER PROGRAM COSTS

Other program costs, which are borne entirely by the Federal Government, include printing and transporting coupons to authorized state agencies and processing and destruction of redeemed coupons by Federal banks.

The total cost of this program has greatly increased over past years. The following table indicates total program costs by fiscal year from 1962 to the present:

FOOD STAMP APPROPRIATIONS

[In thousands]

Fiscal year:	*Budget authority*
1962	[1] $48,900
1963	[1] 50,000
1964	[1] 45,000
1965	[2] 60,000
1966	[3] 100,000
1967	[4] 139,525
1968	[5] 185,000
1969	280,000
1970	610,000
1971	1,679,000
1972	2,289,214
1973	2,500,000
1974	3,000,000
1975	4,874,600
1976	5,203,000
1977	5,514,000
1978	5,627,000
1979	6,679,200
1980	9,191,000
1981	11,480,000
1982	11,300,000
1983	12,005,141
1984	11,739,005
1985	11,768,856
1986	11,817,653

1987	[6] 12,684,665
1988	[7] 13,557,757
1989	[8] 13,598,955
1990	[9] 16,906,339

[1] Pilot program with sec. 32 funding
[2] $35,000,000 of sec. 32 funds, $25,000,000 by direct appropriation.
[3] Includes $2,000,000 reappropriation.
[4] Includes $29,549,000 reappropriation.
[5] Includes $23,200,000 reappropriation.
[6] Includes $852,750,000 nutrition assistance for Puerto Rico.
[7] Includes $879,250,000 nutrition assistance for Puerto Rico.
[8] Includes $908,250,000 nutrition assistance for Puerto Rico.
[9] Includes $936,750,000 nutrition assistance for Puerto Rico.

Nutrition assistance for Puerto Rico.—The Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, authorized a block grant for nutrition assistance to Puerto Rico which gives the Commonwealth broad flexibility in establishing a food assistance program which is specifically tailored to the needs of its low-income households. Beginning in fiscal year 1987, funding for this block grant program was included under the food stamp appropriation account.

COMMITTEE PROVISIONS

For the food stamp program the Committee provides an appropriation of $19,038,806,000, an increase of $2,132,467,000 above the amount available for fiscal year 1990 and $2,237,125,000 above the budget request. Of the amount appropriated $2,100,000,000 is contingent upon the submission of an official budget request for a specific dollar amount.

Again this year the Committee has combined into a single account the food stamp program with the block grant for nutrition assistance to Puerto Rico. For the Puerto Rico block grant the Committee has included $962,125,000, an increase of $25,375,000 above the amount available for fiscal year 1990 and $137,125,000 above the budget request.

The Committee has provided specific funding of $10,825,000 to be transferred to APHIS for the cattle tick eradication project in Puerto Rico. The objective of this project is to carry out appropriate treatment and control activities directed toward the enhancement of livestock productivity through the island-wide eradication of ticks. The Committee believes funding this program under APHIS would add flexibility and could make available additional resources.

The Committee is concerned that budget estimates for the food stamp program are consistently based on inaccurate assumptions which grossly understate the cost of the program. As a result of higher participation levels than were used for budget estimates, the food stamp program needed a supplemental appropriation for fiscal year 1990. Once again, the budget request assumes that FNS will collect error liabilities from states. Since the sanction system began, the Department has collected less than one percent of the total liability amount, yet every year the budget request is based on optimistic assumptions. It is disappointing that the Department cannot base its budget request on more accurate assumptions.

Local governmental entities are generally required to carry insurance for coverage of food stamps held in inventory in the event they are destroyed, lost or stolen. It has been reported that this in-

surance is becoming extremely expensive and difficult to obtain through private sources. The Department should assess the significance of this problem and make recommendations to local jurisdictions to ease the payment burden. The Committee expects the Department to report its findings to the appropriate committees of Congress.

FOOD DONATIONS PROGRAMS FOR SELECTED GROUPS

1990 appropriation	[1] $243,062,000
1991 budget estimate	256,738,000
Provided in the bill	260,138,000
Comparison:	
1990 appropriation	+17,076,000
1991 budget estimate	+3,400,000

[1] Reflects sequester of $3,448,000 pursuant to P.L. 99-177.

The Agriculture and Consumer Protection Act of 1973, as amended (7 U.S.C. 612c (note)), provides for a directly funded food distribution program for needy persons on Indian reservations and in the Pacific Island Territories. This program attempts to alleviate hunger and malnutrition in low-income households by providing nutritious agricultural commodities to eligible persons. This program also funds commodity support for elderly feeding programs under title III of the Older Americans Act of 1965. Donated foods are used in meals served in the senior citizens centers or similar settings. States may elect cash in lieu of commodities. In fiscal year 1990, $40,000,000 was appropriated for the purchase and distribution of commodities to soup kitchens and food banks as authorized by section 110 of the Hunger Prevention Act of 1988.

COMMITTEE PROVISIONS

For the food donations programs the Committee provides an appropriation of $260,138,000, an increase of $17,076,000 above the amount available for fiscal year 1990 and $3,400,000 above the budget request. Included in this amount is $32,000,000 for the purchase of additional commodities for soup kitchens and food banks, as authorized by the Hunger Prevention Act of 1988. The Committee also provides an appropriation of $149,897,000 for the expansion of the nutrition program for the elderly and $78,241,000 for the food distribution program on Indian reservations.

The 1991 budget request for the food distribution program on Indian reservations was based on the assumption that non-fat dry milk would be donated to the program by CCC. The Committee has become aware that non-fat dry milk is no longer available for donation and has provided an increase of $3,400,000 to purchase this commodity.

TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM

1990 appropriation	[1] $169,395,000
1991 budget estimate	170,000,000
Provided in the bill	170,000,000
Comparison:	
1990 appropriation	+605,000
1991 budget estimate	

[1] Reflects sequester of $605,000 pursuant to P.L. 99-177.

Title II of Public Law 98-8, enacted March 3, 1983, authorized and appropriated funds for costs of intrastate storage and transportation of CCC-donated commodities. Subsequent authorizations have continued the program at the $50,000,000 level. In fiscal year 1990, $120,000,000 was appropriated for the purchase and distribution of commodities as authorized by section 104 of the Hunger Prevention Act of 1988.

Funds are administered by the Food and Nutrition Service through grants to state agencies which operate commodity distribution programs. Allocation of the funds to states is based on a formula which considers the states' unemployment rate and the number of persons with incomes below the poverty level.

In fiscal year 1989, $255.2 million worth of surplus commodities were distributed to assist needy individuals. Donations will continue in fiscal year 1990. Precise levels will depend upon the availability of surplus commodities and requirements regarding displacement. $49.8 million was used in fiscal year 1990 to help state and local authorities with the storage and distribution costs of providing surplus commodities to needy individuals.

COMMITTEE PROVISIONS

For the temporary emergency food assistance program the Committee provides an appropriation of $170,000,000, an increase of $605,000 above the amount available for fiscal year 1990 and the same as the budget request.

Included in this amount is $50,000,000 for Federal cost sharing of storage and intrastate distribution expenses and $120,000,000 for the purchase of commodities, as authorized by section 404 of the Hunger Prevention Act of 1988.

FOOD PROGRAM ADMINISTRATION

1990 appropriation	[1] $91,727,000
1991 budget estimate	96,778,000
Provided in the bill	96,778,000
Comparison:	
1990 appropriation	+5,051,000
1991 budget estimate	

[1] Reflects sequester of $1,299,000 pursuant to P.L. 99-177.

The food program administration appropriation provides for all of the Federal operating expenses of the Food and Nutrition Service, which includes the child nutrition programs; special milk program; special supplemental food program for women, infants and children (WIC); commodity supplemental food program; food stamp program; nutrition assistance for Puerto Rico; food donations programs for selected groups; and temporary emergency food assistance program.

The major objective of food program administration is to efficiently and effectively carry out the food assistance programs mandated by law. This is to be accomplished by the following: (1) giving clear and consistent guidance and supervision to state agencies and other cooperators; (2) assisting the states and other cooperators by providing program, managerial, financial, and other advice and expertise; (3) measuring, reviewing, and analyzing progress toward

program objectives; and (4) carrying out regular staff support functions.

COMMITTEE PROVISIONS

For food program administration the Committee provides $96,778,000, an increase of $5,051,000 above the amount available for fiscal year 1990 and the same as the budget request.

The Committee continues to be concerned with reports of surplus food being distributed to the non-needy in order for local jurisdictions to maintain their free food allocations. Activities such as this distort the cost of food programs, are a drain on the Treasury and can keep food from the truly needy. The Committee will expect the Department to diligently work to prevent this from occurring.

HUMAN NUTRITION INFORMATION SERVICE

1990 appropriation	[1] $9,031,000
1991 budget estimate	10,705,000
Provided in the bill	9,923,000
Comparison:	
1990 appropriation	+892,000
1991 budget estimate	−782,000

[1] Reflects sequester of $114,000 pursuant to P.L. 99-177.

The Human Nutrition Information Service was established October 1, 1981, by Secretary's Memorandum No. 1000-1, issued pursuant to Reorganization Plan No. 2 of 1953 (7 U.S.C. 2201). The activities of this agency include research, analysis, and technical assistance.

COMMITTEE PROVISIONS

For the Human Nutrition Information Service the Committee provides an appropriation of $9,923,000, an increase of $892,000 above the amount available for fiscal year 1990 and a decrease of $782,000 below the budget request.

The Committee provides an increase of $500,000 to enhance the safety of the U.S. food supply. The Committee supports this objective and expects the program to provide a substantial improvement to the quantity and quality of information that is currently available regarding the safety of the food supply.

The Committee agrees and reaffirms that there shall be no change in the respective roles of the USDA and the Department of Health and Human Services with respect to nutrition information services and research. These roles are based on current law (Public Law 95-113, as amended) which indicates that the USDA is the lead agency for human nutrition research and dissemination except for biomedical aspects of human nutrition concerned with diagnosis or treatment of disease.

TITLE IV—INTERNATIONAL PROGRAMS

FOREIGN AGRICULTURAL SERVICE

1990 appropriation	[1] $101,146,000
1991 budget estimate	103,548,000
Provided in the bill	105,048,000
Comparison:	
1990 appropriation	+3,902,000
1991 budget estimate	+1,500,000

[1] Reflects sequester of $1,383,000 pursuant to P.L. 99-177.

The Foreign Agricultural Service was established March 10, 1953, by Secretary's Memorandum No. 1320, Supplement 1. Public Law 83-690, approved August 28, 1954, transferred the agricultural attachés from the Department of State to the Foreign Agricultural Service.

The primary function of this organization is to help American agriculture in maintaining and expanding foreign markets for agricultural products vital to the economic well-being of the Nation. it maintains a worldwide agricultural intelligence and reporting service to assist the U.S. agricultural industry in its export operations through a continuous program of analyzing and reporting foreign agricultural production, markets, and policies. It attempts to develop foreign markets for U.S. farm products through administration of special export programs and through helping to secure international trade conditions that are favorable toward our products.

COMMITTEE PROVISIONS

For the Foreign Agricultural Service the Committee provides an appropriation of $105,048,000, an increase of $3,902,000 above the amount available for fiscal year 1990 and $1,500,000 above the budget request.

To assist the State of Hawaii market and promote tropical and subtropical products, the Committee has provided $225,000, the same amount as last year, for a cooperative agreement with the Hawaii State Department of Agriculture under the FAS cooperator program.

AGRICULTURAL AID AND TRADE MISSIONS

1990 appropriation	[1] $197,000
1991 budget estimate	.....
Provided in the bill	.....
Comparison:	
1990 appropriation	−197,000
1991 budget estimate	.....

[1] Reflects sequester of $3,000 pursuant to P.L. 99-177.

The Agricultural Aid and Trade Missions Act, section 157 of Public Law 100-202, provided $200,000 for the conduct of missions

to 16 countries. In fiscal year 1990 the 16 authorized missions were completed.

AMERI FLORA '92 EXPOSITION

1990 appropriation	.....
1991 budget estimate	.....
Provided in the bill	$500,000
Comparison:	
1990 appropriation	+500,000
1991 budget estimate	+500,000

COMMITTEE PROVISIONS

The first international horticulture exposition to be held in the United States will be held in Columbus, Ohio, and is scheduled for April 3–October 12, 1992. Ameri Flora '92 has been sanctioned by the U.S. Christopher Columbus Quincentenary Jubilee Commission and the International Association of Horticulture Producers. The exposition will be the largest single site exposition held in connection with the Quincentenary Jubilee. Since this exposition will involve several agencies of the Department of Agriculture, the Committee has provided $500,000 for use by the Secretary in meeting any extra expenses incurred by the Department in discharging its responsibilities.

PUBLIC LAW 480

	Appropriation	Program level
1990 appropriation	[1] $978,221,000	[2] ($1,521,562,000)
1991 budget estimate	897,853,000	(1,463,000,000)
Provided in the bill	1,010,853,000	(1,576,000,000)
Comparison:		
1990 appropriation	+32,632,000	(+54,438,000)
1991 budget estimate	+113,000,000	(+113,000,000)

[1] Reflects sequester of $13,779,000 pursuant to P.L. 99-177
[2] Reflects sequester of $21,493,000 pursuant to P.L. 99-177

A number of statutes provide for the facilities of the Commodity Credit Corporation to be used in carrying out programs for the export of surplus agricultural commodities and authorize appropriations to reimburse the Corporation for costs incurred in connection with such programs.

Prior to fiscal year 1962, the Corporation was reimbursed for the costs of these activities by appropriation subsequent to incurrence of the costs. Beginning in fiscal year 1962, the Congress added funds to place these activities on a pay-as-you-go basis, appropriating for estimated costs.

The following activities are currently being carried out under the Agricultural Trade Development and Assistance Act of 1954, Public Law 480, 83d Congress, as amended:

Sale of agricultural commodities for foreign currencies (title I) (7 U.S.C. 1701–1715).—Under this title the United States accepts foreign currency in payment for sales of available U.S. farm products. These currencies may be used for such purposes as agricultural market development, payment to U.S. obligations abroad, and military housing, among other specified purposes. If regular appropria-

tions of any Federal agency are available for any purposes for which foreign currencies are used, the agency must buy the currencies for dollars. These dollars are credited to the Commodity Credit Corporation and reduce Public Law 480 appropriations.

Sale of agricultural commodities for dollars on credit terms (title I) (7 U.S.C. 1701-1715).—This title provides for sales of U.S. farm products under long-term credit arrangements. The major objective is to stimulate and increase sales for dollars through credit. The purpose is to expand international trade; to develop and expand export markets; and to encourage economic development in the developing countries. Agreements may be entered into for the delivery of available U.S. farm products for periods of up to 19 years. Agreements are with the governments of friendly nations, including financial institutions acting on behalf of such nations. Agreements may also be made with U.S. and foreign private traders. Repayments are made in U.S. dollars with interest for periods of up to 20 years, or in currencies convertible to dollars with interest for periods of up to 40 years. Interest is charged from the date of last delivery in each calendar year. Minimum rates of interest are set by law.

Sale of agricultural commodities for convertible foreign currencies to be used pursuant to section 108 (title I) (7 U.S.C. 1708).—Under this title sales may be financed for convertible foreign currencies which are then loaned to financial intermediaries in the recipient country pursuant to agreements whereby the intermediaries would reloan the funds to promote private enterprise investment, develop new markets, pay U.S. obligations, or be converted to dollars.

Furnishing commodities to carry out the Food for Progress Act of 1985 (title I) (7 U.S.C. 1736).—A new program, Food for Progress, is authorized through 1990 to support agricultural policy reform in developing countries. Funds appropriated to carry out title I may be used to furnish commodities to carry out the Food for Progress Act of 1985.

Commodities disposed of and other costs incurred in connection with donations abroad (title II) (7 U.S.C. 1721-1726).—Under this title donations of available agricultural commodities, not limited to stocks held by the Commodity Credit Corporation, are made to assist friendly nations and friendly peoples, and to promote economic and community development in underdeveloped countries. Up to $7.5 million each year may be spent to buy foreign currencies accruing under title I. These funds are to meet special costs (other than personnel and administrative) of cooperating groups. The Corporation pays ocean freight on shipments under this title.

Food for development program (title III) (7 U.S.C. 1727-1727f).—The commodity estimate for title I includes the cost of financing commodities furnished under the food for development program (title III). Under this title, available commodities may be furnished for periods of from 1 to 5 years, following a Presidential determination of country eligibility, formulation of approved development projects or activities, and subject to an annual review and report of activities and progress under each agreement. Proceeds obtained from the sale of these commodities shall be held in a special account, where practicable, to be disbursed for such purposes as approved in the agreement with each country, and such disburse-

ments shall be considered as payments for the purposes of section 103(b) of this Act. No other payment shall be required as part of any agreement to finance the sale of agricultural commodities under a food for development program.

COMMITTEE PROVISIONS

For Public Law 480 the Committee provides a total program level of $1,576,000,000, an increase of $54,438,000 above the fiscal year 1990 program level and $113,000,000 above the budget request.

To carry out titles I and III of the Public Law 480 program the Committee provides a program level of $880,000,000 and a direct appropriation of $314,853,000. The program level is $31,037,000 above the level for fiscal year 1990 and $63,000,000 above the budget request, and the appropriation is $9,231,000 above the appropriation for fiscal year 1990 and $63,000,000 above the budget request. Funding required to carry out the program will also come from carryover balances, loan repayments and transfers from CCC, as in the past.

For title II the Committee provides a program level of $696,000,000 and an appropriation of $696,000,000 to support that level, an increase of $23,401,000 above the amount available for fiscal year 1990 and $50,000,000 above the budget request.

The Committee provides bill language to allow for a 10 percent transfer between titles I and II to meet unforeseen circumstances.

The Committee stresses that the title I program plays a significant role in promoting the export of U.S. agricultural products and, for that reason, should be considered an agricultural sales program and not a foreign aid program.

Office of International Cooperation and Development

1990 appropriation	[1] $6,041,000
1991 budget estimate	4,893,000
Provided in the bill	5,268,000
Comparison:	
1990 appropriation	−773,000
1991 budget estimate	+375,000

[1] Reflects sequester of $77,000 pursuant to P.L. 99-177.

The Office of International Cooperation and Development (formerly International Development Staff) was established by Secretary's Memorandum No. 1947, dated May 1, 1978. The Office of International Cooperation and Development (OICD) is responsible for coordinating, planning, and directing the Department's programs in international development and technical cooperation in food and agriculture.

In conducting such programs, OICD utilizes the resources of USDA agencies and maintains close relationships with AID, other government agencies, land-grant institutions, and international organizations. OICD activities include technical assistance to developing countries, the arrangement of training of international participants in the United States and overseas, and the implementation of the development aspects of food assistance programs. Services provided are financed largely by reimbursements of funds from AID, other institutions, and contracting nations.

COMMITTEE PROVISIONS

For the Office of International Cooperation and Development the Committee provides an appropriation of $5,268,000, a decrease of $773,000 below the amount available for fiscal year 1990 and an increase of $375,000 above the budget request. The Committee's provision does not include any funds for the middle-income countries scholarship program.

For several years the Agency for International Development and the Department have jointly funded a program that enables young American professionals to serve as Associate Professional Officers at international food agencies, such as the Food and Agriculture Organization and the International Fund for Agricultural Development. This program has been highly successful, both in terms of increasing United States influence in these institutions and in exposing young American professionals to international food issues. The average annual cost of placing an American in these agencies under this program has been less than $75,000. The initial funding contributed by AID and USDA is now exhausted and additional funds are needed. Therefore, the Committee provides $375,000 to support continued United States participation in the Associate Professional Officers Program. These funds are to be made available for this purpose only to the extent that AID provides a similar amount of funding.

SCIENTIFIC ACTIVITIES OVERSEAS

(FOREIGN CURRENCY PROGRAM)

1990 appropriation	$875,000
1991 budget estimate	
Provided in the bill	875,000
Comparison:	
1990 appropriation	
1991 budget estimate	+875,000

In fiscal year 1958, the Department initiated a research program abroad utilizing foreign currencies generated by the sale of surplus agricultural commodities under title I of Public Law 480. Originally confined to market development research authorized by section 104(b)(1) of Public Law 480, as amended, the program was subsequently expanded to include agricultural and forestry research under section 101(b)(3) of Public Law 480, as amended. It now involves work in the following general areas: farm research, utilization research, marketing research, forestry research, agricultural economics, and human nutrition research.

This research is conducted with local currencies in countries in which the United States has foreign currency available in excess of normal U.S. requirements. The dollars appropriated for this purpose are used to purchase these excess currencies from the Treasury Department.

COMMITTEE PROVISIONS

For scientific activities overseas the Committee provides an appropriation of $875,000, the same as the amount available for fiscal year 1990 and an increase of $875,000 above the budget request.

TITLE V—RELATED AGENCIES

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

1990 appropriation	[1] $567,079,000
1991 budget estimate	497,633,000
Provided in the bill	654,808,000
Comparison:	
1990 appropriation	+87,729,000
1991 budget estimate	+157,175,000

[1] Reflects sequester of $7,092,000 pursuant to P.L. 99-177. Reflects supplemental appropriation of $13,900,000.

The programs of the Food and Drug Administration (FDA) are designed to achieve a single overall objective: consumer protection. FDA's mission is to ensure that (1) food is safe, pure, and wholesome; (2) human and animal drugs, biological products, and medical devices are safe and effective; and (3) radiological products and use procedures do not result in unnecessary exposure to radiation.

To accomplish its mission, FDA: sets food and product standards; evaluates the safety and efficacy of new drugs and medical devices before they are marketed; conducts and sponsors research studies to detect health hazards and violations of consumer laws or regulations, to improve the agency's base of scientific knowledge in toxicology and other disciplines, and to promote development of orphan products; informs business firms and consumers about FDA-related topics; works with state and local agencies to develop programs that will supplement or complement those of FDA; maintains surveillance over foods, drugs, medical devices and electronic products to ensure that they are safe, effective, and honestly labeled; and takes legal action where necessary to remove violative products from the marketplace and to prosecute firms or individuals that voilate the law.

Through its regulation of food, FDA protects and promotes the health of nearly every American by monitoring the food industry to safeguard against contamination by dangerous bacteria and molds and other natural and man-made toxins, and by regulating the safe use of veterinary drugs and feed additives to protect consumers against hazardous drug residues or by-products that may remain in meat. FDA also assures that consumers are not victimized by adulteration; promotes informative labeling to assist consumers in choosing foods; and examines imported foods to see that they meet the same standards as domestic products. FDA also provides leadership and assistance to the states and local authorities in conducting their responsibilities.

COMMITTEE PROVISIONS

For the Food and Drug Administration the Committee provides an appropriation of $654,808,000, an increase of $87,729,000 above the amount available for fiscal year 1990 and $157,175,000 above the budget request. The Committee points out the comparisons are inappropriate since the budget request reflects unrealistic collections of $157,175,000 for user fees. These user fees require specific authorization in law which is not now available. Included in the total amount provided is $63,236,000 for AIDS-related activities.

In addition, the Committee has provided that $157,175,000 will be available to FDA only upon receipt of an official budget request by the Administration. FDA is the only agency in this bill that does not submit a budget based on current law. In the future, the Committee will expect the request to be based on current law.

For additional seafood inspection the Committee has provided an increase of $5,000,000 above the amount available for fiscal year 1990. While the Committee expects enhanced seafood inspection, it defers major increases until Congress fully addresses the myriad of issues related to seafood inspection. The FDA should use the additional resources available to expedite drug, device and biologic approvals, and for additional food safety activities.

For the orphan drug program the Committee has provided not less than $11,500,000 and expects the FDA to provide additional personnel to the orphan drug program during times of peak workload. The additional personnel should be used for expedited review of grant proposals and to expedite grant awards.

The Committee is aware of the actions of the Food and Drug Administration in helping to establish a National Center for Food Safety and Technology at the Illinois Institute of Technology in Bedford Park, Illinois. This Center, funded by Federal, state, academic and industrial monies, provides a unique opportunity for scientists from government, universities and industry to work together to solve critical food safety issues in a cost-effective manner. Given the role of new and rapidly changing technologies in modern food processing operations, the Committee concurs with the need for such a facility in order to assist in the safety of the Nation's food supply. The Committee expects the FDA to continue to provide the necessary financial and other support, as needed, to ensure the success of this important operation.

The Committee is aware of the need to eliminate the risks of blood borne viruses that may be present in products containing blood clotting factors VIII and IX used by people with hemophilia. The Committee is encouraged that new factor IX products under review at FDA would reduce these risks. The Committee understands that FDA is reviewing appropriate ways to expedite review and approval of new coagulation products with immediate emphasis on factor IX. The Committee expects FDA to move forward on a priority basis and to report to the Committee by December 31, 1990, on what steps have been taken to accomplish this effort.

BUILDINGS AND FACILITIES

1990 appropriation	$8,350,000
1991 budget estimate	4,752,000

Provided in the bill	8,350,000
Comparison:	
1990 appropriation	
1991 budget estimate	+3,598,000

The buildings and facilities account was established for repair and improvement of existing facilities, as well as for construction of new facilities when needed.

COMMITTEE PROVISIONS

For buildings and facilities of the Food and Drug Administration the Committee provides an appropriation of $8,350,000, the same as the amount available for fiscal year 1990 and an increase of $3,598,000 above the budget request.

While FDA and GSA continue to the review the issues related to the renovation and consolidation of headquarters facilities, the Committee expects the additional resources provided to be used to update and renovate FDA field offices.

The Committee is aware of the need for state-of-the-art clinical space for the testing of drugs, devices, biologics and other necessary components for applying scientific findings to the unique diseases and needs of children. The Committee has provided $200,000 to prepare a feasibility study on the need for a facility at the Children's Hospital of Pittsburgh for use as a clinical research facility in the areas of pharmaceuticals and devices.

RENTAL PAYMENTS (FDA)

1990 appropriation	$25,612,000
1991 budget estimate	25,612,000
Provided in the bill	25,612,000
Comparison:	
1990 appropriation	
1991 budget estimate	

Annual appropriations are made to agencies of the Federal Government so that they can pay the General Services Administration fees for rental of space and for related services.

The budget estimates are based on GSA's projection of what it will bill agencies in the budget year. The agencies have no influence or control over how GSA sets their rates. Charges paid by agencies go into a fund to be used for other real-property management operations, such as rental of buildings, repairs and alterations, and acquisition of new facilities. The concept behind rental payments charges is that all agencies pay the market value of the space they occupy, so that GSA will have the funds available to provide, in an efficient and coordinated way, for overall Federal space needs. However, in practice this concept means that agencies are paying prevailing commercial rental rates in order to subsidize the inflated cost of new construction and newly leased space, and to provide entirely for vacant space in GSA's inventory.

COMMITTEE PROVISIONS

For rental payments (FDA) the Committee provides an appropriation of $25,612,000, the same as the amount available for fiscal year 1990 and the same as the budget request.

Department of the Treasury

Payments to the Farm Credit System Financial Assistance Corporation

1990 appropriation	$90,000,000
1991 budget estimate	99,330,000
Provided in the bill	90,000,000
Comparison:	
1990 appropriation	
1991 budget estimate	−9,330,000

The Agricultural Credit Act of 1987 (Public Law 100-233) authorized such sums as necessary to be appropriated to the Secretary of the Treasury for payment to the Farm Credit System Financial Assistance Corporation. These payments reimburse the Corporation for interest expenses on U.S. guaranteed debt issued by the Corporation. Assistance Corporation debt proceeds will be used to provide assistance to financially troubled System institutions. Beginning in fiscal year 1989, Treasury annually reimburses 100 percent of the Assistance Corporation interest expense incurred until January 1993. Between January 1993 and the ensuing 5 years, Treasury will reimburse 50 percent of the Assistance Corporation interest expense, with System banks paying the balance. Thereafter all Assistance Corporation interest expense will be paid by System banks.

committee provisions

For interest expenses incurred by the Farm Credit System Financial Assistance Corporation, as authorized by the Farm Credit Assistance Board, the Committee provides $90,000,000, the same as the amount available in fiscal year 1990 and a decrease of $9,330,000 below the budget request.

Independent Agencies

Commodity Futures Trading Commission

1990 appropriation	[1] $39,186,000
1991 budget estimate	44,960,000
Provided in the bill	39,691,000
Comparison:	
1990 appropriation	+505,000
1991 budget estimate	−5,269,000

[1] Reflects sequester of $505,000 pursuant to P.L. 99-177. Reflects supplemental appropriation of $2,000,000.

The Commodity Futures Trading Commission (CFTC) administers the Commodity Exchange Act of 1936, as amended. The purpose of the Commission is to further the economic utility of futures markets by encouraging their efficiency, assuring their integrity, and protecting participants against abusive trade practices, fraud, and deceit. The objective is to enable the markets to better serve their designated function in providing a price discovery mechanism and as a means of offsetting price risk. In properly serving these functions, the futures markets contribute toward better planning, more efficient distribution and consumption, and more economical marketing.

COMMITTEE PROVISIONS

For the Commodity Futures Trading Commission the Committee provides $39,691,000, an increase of $505,000 above the amount available in fiscal year 1990 and a decrease of $5,269,000 below the budget request.

The Committee is aware of the potential changes in jurisdiction of some CFTC activities. Pending final congressional action relating to reauthorization and jurisdictional disputes, the Committee defers additional appropriations.

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

1990 appropriation	($36,120,000)
1991 budget estimate	(41,548,000)
Provided in the bill	(41,548,000)
Comparison:	
1990 appropriation	(+5,428,000)
1991 budget estimate	

The Farm Credit Administration, orginally created by Executive Order No. 6084 on May 27, 1933, was transferred to the Department of Agriculture on July 1, 1939, by Reorganization Plan No. 1. Since December 4, 1953, the Administration has been an independent agency under the direction of a Federal Farm Credit Board (12 U.S.C. 636). The Farm Credit Amendments Act of 1985 (Public Law 99-205) clarified the FCA's role as an arm's-length financial regulator, granting it the same intermediate enforcement powers as other Federal financial regulatory agencies. The Act also replaced the Federal Farm Credit Board of 13 Presidentially appointed part-time Board members with the FCA Board, comprised of a Chairman and two other Board members, all serving in a full-time capacity. Not more than two members of the Board shall be members of the same political party.

The Farm Credit Administration (FCA) is responsible for regulating, supervising, and examining the institutions of the Farm Credit System. The FCA and the System institutions operate under the authority of the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.). The institutions of the System are the Federal land banks, Federal land bank associations, Federal intermediate credit banks, production credit associations, and banks for cooperatives. The combined lending activities in the System institutions provide short- and long-term credit to the Nation's farmers, ranchers, and producers and harvesters of aquatic products, and their cooperatives. System institutions are owned by their member borrowers. The operation of the System is funded through the sale of Systemwide consolidated bonds and discount notes in the public money markets, and the institutions are fully liable for the payment of these securities. The operating expenses of the FCA are paid by the System institutions through assessments, which are deposited in a special fund in the Treasury which is available for the use of the FCA.

COMMITTEE PROVISIONS

For a limitation on administrative expenses of the Farm Credit Administration the Committee provides $41,548,000, an increase of $5,428,000 above the amount available for fiscal year 1990 and the same as the budget request.

The Farm Credit System was set up on a national scale to serve farmers and an obligation exists to maintain such a system on a national scale. It has been brought to the attention of the Committee that the Jackson Land Bank District is to be abolished and the territory taken over by the Texas Land Bank District.

It would appear that the decision on a merger was not given to the stockholders in the States of Alabama, Louisiana, and Mississippi. Therefore, the Chairman of the Farm Credit Administration should take such action as will provide for the States of Alabama, Louisiana, and Mississippi, the full benefits formerly afforded to farmers of such States.

FARM CREDIT SYSTEM ASSISTANCE BOARD

LIMITATION ON ADMINISTRATIVE EXPENSES

1990 appropriation	($2,206,000)
1991 budget estimate	(2,184,000)
Provided in the bill	(2,017,000)
Comparison:	
1990 appropriation	(−189,000)
1991 budget estimate	(−167,000)

The Assistance Board was created by the Agricultural Credit Act of 1987 to be the policy body deciding the financial assistance and administrative restructuring required for troubled Farm Credit System institutions.

The Assistance Board is authorized to provide assistance to financially troubled institutions whose stock, participation certificates and allocated equities are less than 100 percent par value. Assistance may be provided in accordance with the terms and conditions established by the Assistance Board. Funding for the assistance authorized by the Assistance Board is provided through the issuance of debt obligations by another institution, the Farm Credit System Financial Assistance Corporation (FAC).

The FAC obtains funds for assistance allocated by the Board through issuance of up to $4 billion in federally guaranteed bonds with 15-year maturities. Interest on the bonds for the first five years is paid by the Treasury, for the second five years half by the Treasury and half by the System, and for the last five years entirely by the System.

In addition to its role in authorizing financial assistance to troubled system institutions, the Assistance Board has substantial authority in reviewing and approving management and personnel practices and business and operating plans and policies of assisted institutions.

The Board is authorized to draw on the Revolving Fund established under section 4.0 of the Farm Credit Act of 1971, as amended to meet interim administrative expenses preceding availability of funds from the issuance of debt obligations by the FAC.

COMMITTEE PROVISIONS

For a limitation on administrative expenses of the Farm Credit System Assistance Board the Committee provides $2,017,000, a decrease of $189,000 below the amount available for fiscal year 1990 and $167,000 below the budget request.

TITLE VI—GENERAL PROVISIONS

Sections 601 through 639 of the General Provisions contained in the accompanying bill for fiscal year 1991 are essentially the same as those included in previous appropriations bills.

Inflationary Impact Statement

Pursuant to clause 2(l)(4), Rule XI of the House of Representatives, the Committee offers the following statement in support of its opinion that this bill, as proposed, will have no overall inflationary impact over the broad spectrum of the Nation's economy.

New obligational authority has been reduced below the fiscal year 1990 enacted level and below the 1991 budget request. Total obligational authority has been reduced to below the fiscal year 1990 level and below the 1991 budget request. Restoration and other increases made by the Committee for certain essential purposes, as discussed earlier in this report, have been more than offset by reductions elsewhere.

The restoration of funds for rural development programs should result in a substantial benefit in our economy by providing additional employment in the construction industry—a non-inflationary benefit.

The restoration and addition of funds for the various research, extension and conservation activities of USDA should help to protect our Nation's land and water resources and encourage food and fiber production to meet domestic and overseas needs, both of which are anti-inflationary in effect.

Since the bill is below the fiscal year 1990 level and below the 1991 budget request, the bill has no inflationary impact.

Transfer of Unexpended Balances

Pursuant to Clause 1(b), Rule X of the House of Representatives, the following statement is submitted describing the transfer of unexpended balances provided in the accompanying bill. Transfers of unexpended balances are assigned to the jurisdiction of the Committee on Appropriations by Clause 1(b)(2) of Rule X.

1. *Rental Payments (USDA).*—The bill allows transfers to or from the rental payments account based on changing space requirements.

2. *Hazardous Waste Management.*—The bill allows the funds appropriated to the Department for hazardous waste management to be transferred to agencies of the Department as required.

3. *Departmental Administration.*—The bill allows reimbursement for expenses related to certain hearings.

4. *Agricultural Research Service.*—The bill authorizes the transfer of not to exceed $190,000 to the Office of the Assistant Secre-

tary for Science and Education for the review of international issues involving agricultural chemicals and food additives.

5. *Animal and Plant Health Inspection Service.*—Authority is included to enable the Secretary of Agriculture to transfer from other appropriations or funds of the Department such sums as may be necessary to combat emergency outbreaks of certain diseases of animals, plants, and poultry.

6. *Agricultural Marketing Service.*—The bill limits the transfer of section 32 funds to purposes specified in the bill.

7. *Agricultural Stabilization and Conservation Service.*—The language for "salaries and expenses" includes authority to transfer funds from the Commodity Credit Corporation to meet the program and administrative costs of work performed by this agency related to activities of CCC. Authority is also included to permit the transfer of funds from other programs of ASCS for work related to these programs.

8. *General Sales Manager.*—The bill authorizes the transfer of not to exceed $7,803,000 from the Commodity Credit Corporation to meet the cost of work performed by the Office of the General Sales Manager.

9. *Farmers Home Administration.*—The "salaries and expenses" paragraph authorizes the transfer of funds from the various programs of this agency for temporary field employment. It also provides that funds may be transferred from loan accounts for duties related to insurance of loans and collection of interest charges.

10. *Agricultural Conservation Program.*—The bill authorizes the transfer of not to exceed 5 percent of the allocation to the Soil Conservation Service for technical assistance in carrying out the ACP.

11. *Conservation Reserve Program.*—The bill authorizes the transfer of 5 percent of the funds available for the CRP to the Soil Conservation Service for technical assistance in carrying out the programs of the Food Security Act of 1985.

12. *Child Nutrition Programs.*—The language includes authority to transfer section 32 funds to these programs.

13. *Food Stamp Program.*—The language includes authority to transfer $10,825,000 of the funds available for the block grant for nutrition assistance to Puerto Rico to the Animal and Plant Health Inspection Service for the cattle tick eradication project.

14. *Public Law 480.*—The language allows for the transfer of funds from the Commodity Credit Corporation as authorized by 7 U.S.C. 1702. Language is also included to allow the transfer of up to ten percent of the funds between titles I and II.

15. *Rental Payments (FDA).*—The bill allows transfer to or from the rental payments account based on changing space requirements.

Changes in the Application of Existing Law

Pursuant to Clause 3, Rule XXI of the House of Representatives, the following statements are submitted describing the effect or provisions in the accompanying bill which directly or indirectly change the application of existing law. In most instances, these provisions have been included in prior appropriations bills, often at

the request of or with the knowledge and consent of the responsible legislative committees.

Language is included in various parts of the bill to continue ongoing activities of those Federal agencies which require annual authorization or additional legislation which to date has not been enacted.

The bill includes a number of provisions which place limitations on the use of funds in the bill or change existing limitations and which might, under some circumstances, be construed as changing the application of existing law.

1. *Office of the Secretary and Office of the Deputy Secretary.*—Language is included to limit the amount of funds for official reception and representation expenses, as determined by the Secretary, but not limited to extending courtesies to representatives of foreign countries as specified in other laws.

2. *Economic Research Service.*—A provision carried in the annual appropriation bill since fiscal year 1973 is again included to authorize the expenditure of not less than $200,000 for economic analysis of data to determine the effect upon food production and the agricultural economy of proposals pending before the Environmental Protection Agency. This proviso enables the Department to keep abreast of developments and represents the interests of agriculture in environmental matters.

3. *Agricultural Research Service.*—A provision is included which limits allowances for uniformed employees to $400 annually. This provision has been carried since fiscal year 1986.

4. *Agricultural Research Service, Buildings and Facilities.*—Language is included which has been carried in the bill since fiscal year 1987 which will allow the Department to construct facilities to house the Bonsai collections at the National Arboretum, which is located in the District of Columbia.

5. *Animal and Plant Health Inspection Service.*—A provision carried in the bill since fiscal year 1973 regarding state matching funds has been continued to ensure more effective operation of the brucellosis control program through state sharing, with resulting savings to the Federal budget. The language allows accelerated Federal effort in selected states without being delayed by waiting for state funding to catch up. A provision carried in the bill since fiscal year 1986 is also included which limits allowances for uniformed employees to $400 annually.

6. *Federal Grain Inspection Service, Inspection and Weighing Services.*—The bill includes authority to exceed the limitation on inspection and weighing services by 10 percent with notification to the Appropriations Committees. This allows for flexibility if export activities require additional supervision and oversight, or other uncontrollable factors occur.

7. *Agricultural Marketing Service, Limitation on Administrative Expenses.*—The bill includes langauge to allow AMS to exceed the limitation on administrative expenses by 10 percent with notification to the Appropriations Committees. This allows flexibility in case crop size is understated and/or other uncontrollable events occur.

8. *Section 32 Funds.*—The bill includes authority which has been in the bill since fiscal year 1976 to transfer section 32 funds to the

child nutrition programs. This is required to increase funds available for cash payments to the states for these programs and to purchase and distribute agricultural commodities pursuant to section 6 of the National School Lunch Act. Under the paragraph in the bill headed "Funds for Strengthening Markets, Income, and Supply (Section 32)", language is included to authorize these transfers.

9. *Dairy Indemnity Program.*—Language is included to strengthen basic law by the prevention of indemnity payments to farmers whose milk is removed from commercial markets due to their willful failure to follow Federal procedures. This has been carried in annual appropriation bills since 1968 to protect the Federal Government from irresponsible claimants.

10. *Commodity Credit Corporation, Operating Expenses.*—Language is included to the reimbursement appropriation.

11. *General Sales Manager.*—Language is included which earmarks funds to expand and strengthen the sales program of the Corporation, to be headed by a Sales Manager who shall report to the Secretary of Agriculture. This provision has been carried in the bill since fiscal year 1975.

12. *Rural Water and Waste Disposal Grants.*—Language is included which prohibits the use of these funds for any purpose not specific in the original Act.

13. *Rural Electrification Administration.*—Language is included in both revolving fund loan authorizations and the Rural Telephone Bank to place minimum and maximum limitations on the amount of loans to provide for overall credit control, yet allow adequate flexibility to meet unforeseen changes in the rural economy. Language is also included to provide for supplemental financing in accordance with the applicable criteria and ratios in effect on July 15, 1982, and that none of the funds may be used to deny or reduce loans or loan advances based upon a borrower's level of general funds. The supplemental financing provision has been in all bills since 1983, and the general funds provision was added in fiscal year 1986.

14. *SCS—Conservation Operations.*—This language, which has been included in the bill since 1938, includes a prohibition against construction of buildings on land not owned by the government, although construction on land owned by states and counties is authorized by basic law. This paragraph also includes language carried in the bill since 1950 which prohibits the use of funds for demonstration projects authorized by the Act of April 27, 1935. Language included since fiscal year 1987 prohibits the consolidation of the national technical centers into a single center.

15. *SCS—Watershed and Flood Prevention Operations.*—Language, which was also included in the Emergency Jobs Bill and all bills since 1984, provides that funds may be used for rehabilitation of existing works.

16. *Agricultural Conservation Program.*—Language is included under this item which continues a limitation carried in the bill since fiscal year 1963 to prevent the provision of financial or technical assistance for drainage on certain wetlands. This proviso, which was expanded in the 1979 bill, is designed to prevent the drainage of potholes in various parts of the country which are most vital to the preservation of the supply of American waterfowl. Also,

a provision is continued in the bill to limit payments to any one participant to $3,500, which is below the level authorized by existing law. Exception is provided where two or more participants join together or for long-term agreements. Language included since 1980 provides that the conservation practices to be used shall be those determined and recommended by county committees and approved by state committees and the Secretary.

17. *Conservation Reserve.*—Language included since fiscal year 1988 provides that none of the funds in this Act may be used to enter into new contracts that are in excess of the prevailing local rental rates for an acre of comparable land.

18. *Child Nutrition Programs.*—Language included since 1981 allows payment of only those reimbursement claims submitted in a timely manner, to allow payment of program funds to states only if operations reports are submitted in a timely manner, and to allow the Secretary to grant exceptions to these time constraints. Language is also included which allocates funds to states contingent upon the state's agreement to participate in studies. Language also included since 1981 allows the Secretary to withhold state administrative expenses if the state is deficient in its administration of the programs.

19. *Special Milk Program.*—Language included since 1981 allows payment of only those reimbursement claims submitted in a timely manner, to allow payment of program funds to states only if operations reports are submitted in a timely manner, and to allow the Secretary to grant exceptions to these time constraints.

20. *Commodity Supplemental Food Program.*—Language included since 1987 provides that none of these funds are available to reimburse CCC for commodities donated to the program.

21. *Public Law 480.*—A provision included since 1979 permits merging of appropriated funds with funds received from sales of foreign currencies, loan repayments and long-term credit sales without regard to budget year amounts. Language is also included to provide for transfers between titles I and II.

22. *Office of International Cooperation and Development.*—Language carried since 1979 enables this organizational unit to utilize funds received by an advance or by reimbursement to carry out its activities involving international development and technical cooperation. Language also provides authority for the Department to use funds to assist international organizations in meeting the costs of Federal personnel and others that may transfer to the organizations under the provisions of 5 U.S.C. 3581-3584. Such transfers are limted to $500,000.

23. *Food and Drug Administration.*—Language included since 1986 prohibits any user fee authorized by 31 U.S.C. 9701.

24. *Rental Payments (FDA).*—Language included since 1985 allows transfer of limited amounts to and from this account.

25. *Farm Credit Administration.*—Language is included to limit the amount of funds available to the Farm Credit Administration and to also limit funds available for official reception and representation expenses.

26. *General Provisions.*—Section 601: This paragraph repeats language carried since 1981 which limits the expenditure of any appropriation under this Act for any consulting service through pro-

curement contract, pursuant to 5 U.S.C. 3109, to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive Order issued pursuant to existing law.

Section 605: This provision, which has been included since 1972, prohibits otherwise authorized payments to producers who harvest or permit harvesting of marijuana, or other prohibited drug-producing plants on their land. This restriction makes a valuable contribution to the enforcement of drug control measures in the U.S.

Section 606: This paragraph repeats language carried since 1976 extending to all agencies of the Department the Secretary's authority to authorize advances to chiefs of field parties of the Forest Service. Such advances are especially useful, for example, to field scientists who are searching for new seeds and plants and must be able to immediately purchase them when found. The Department has requested that this broader authority be made permenant by appropriate authorizing legislation.

Section 607: This paragraph repeats language carried since 1972 which permits the accumulation of growth capital not to exceed $2,000,000, and which provides that no funds appropriated to an agency shall be transferred to the Working Capital Fund without the approval of the agency administrator.

Section 608: Language carried since 1976 is again included which provides that certain appropriations in this bill shall remain available until expended where the program or projects involved are continuing in nature under the provisions of authorizing legislation, but for which such legislation does not specifically provide for extended availability. This authority tends to result in savings by preventing the wasteful practice often found in government of rushing to commit funds at the end of the fiscal year without due regard to the value of the purpose for which the funds are used. Such extended availability is also essential in view of the long lead time frequently required to negotiate agreements or contracts which normally extend over a period of more than one year. Under these conditions such authority is commonly provided in appropriations bills where omitted from basic law. These provisions have been carried through the years in this bill to facilitate efficient and effective program execution and to assure maximum savings. They involve the following items: Scientific Activities Overseas (foreign currency program); Public Law 480; mutual and self-help housing; watershed and flood prevention operations; resource conservation and development; Colorado River Basin salinity control program; Animal and Plant Health Inspection Service, buildings and facilities, grasshopper and mormon cricket control programs and contingency funds; Agricultural Stabilization and Conservation Service, salaries and expenses funds made available to county committees; Federal Crop Insurance Corporation Fund; Agricultural Research Service, buildings and facilities; Cooperative State Research Service, building and facilities; dairy indemnity program; higher education training grants; capacity building grants to 1890 colleges and Tuskegee University; and buildings and facilities of the Food and Drug Administration.

Section 611: This paragraph included since 1978 provides authority to utilize employees of the agencies of the Department and the ASC county committees to provide part-time and intermittent assistance to other agencies without reimbursement during periods when not otherwise fully utilized. A provision exempts overtime and staff years expended on programs associated with natural disasters from ceilings on full-time equivalent staff years.

Section 615: This provision, which was contained in the fiscal year 1981 bill and all bills since, requires that certificates of beneficial ownership sold by the Farmers Home Administration shall be not less than 65 percent of the value of the loans closed during the fiscal year. This provision results in a more accurate reflection of outlays in a given fiscal year.

Section 616: This provision was also contained in the fiscal year 1981 appropriations bill and all bills since. This provision limits the overhead that can be charged on cooperative agreements to a maximum of 10 percent. This provision is necessary because many universities attempted to apply the same overhead rates to cooperative agreements as was being applied to grants and contracts, without giving consideration to the cooperator's contributions as an offset to the overhead charges.

Section 617: This provision included since 1982 prevents the resource conservation and development program from being phased out during fiscal year 1991.

Section 620: Extends language now in the law which has been included since 1983 and requires the President to certify that it is in the national interest before the Commodity Credit Corporation can honor loan guarantees on loans made to the Polish People's Republic.

Section 621: A provision carried since 1983 provides that none of the funds in the Act shall be available to reimburse the General Services Administration for rental payments in excess of the amounts specified in the Act.

Section 622: Requires the Secretary of Agriculture to start not less than 20 new projects under Public Law 566 and not less than 5 new projects under Public Law 534.

Section 623: Language added in 1983 provides authority to translate USDA publications into a foreign language if determined by the Secretary to be in the public interest. This authority is now available to most, but not all, USDA agencies, and extending this authority to all USDA agencies will be beneficial to the Department's efforts to expand foreign markets for U.S. products.

Section 624: This provision included since 1985 prevents the relocation of the Hawaii State Office of the Farmers Home Administration from Hilo, Hawaii, to Honolulu, Hawaii.

Section 625: Language carried since 1985 clarifies the Department's authority to enter into personal service contracts with private veterinarians in order to compensate for workload fluctuations and to minimize Federal personnel costs.

Section 626: Provides employment floors for four of the major agencies of USDA to assure that personnel are compatible with funding levels provided by the Congress. Provides an FTE ceiling of not less than 8,259 for the Food and Drug Administration.

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Section 627: Language added in 1986 provides that one-year contracts may be performed in two fiscal years if obligated in the year for which appropriated to allow for more efficient and economical contract management.

Section 629: Language added in 1987 provides that none of the funds in the Act may be used to restrict the authority of CCC to lease space. This provision allows CCC to continue to lease space at a lower cost than space leased by GSA.

Section 630: Language added in 1987 provides that none of the funds in the Act may be used to release information acquired from any handlers under the Agricultural Marketing Act of 1937 other than in certain specified cases.

Section 631: Language added in 1987 provides that none of the funds in the Act may be used by the Farmers Home Administration to employ or otherwise contract with private debt collection agencies to collect delinquent payments.

Section 632: Provides that loans made by the Agricultural Credit Insurance Fund may not be sold, so as to protect the rights of farmers and ranchers.

Section 633: Provides that none of the funds in the Act may be used to pay the salaries of personnel who carry out a targeted export assistance program if the aggregate amount of funds and/or commodities exceeds $200,000,000.

Section 634: Provides that none of the funds in the Act may be used to pay the salaries of personnel who carry out an export enhancement program if the aggregate amount of funds and/or commodities exceeds $500,000,000.

Section 635: Provides that none of the funds in the Act may be used to regulate the order or sequence of advances of funds of approved telephone loans to a borrower.

Section 636: Provides for the use of section 32 to be used to purchase sunflower and cottonseed oil to facilitate additional sales in world markets at competitive prices.

Section 637: Provides that fiscal year 1991 pay raises for programs funded in the Act be absorbed within the levels appropriated.

Section 638: Provides that all grantees receiving Federal funds for a program or project shall clearly state the percentage of the total cost which will be financed with Federal money and the dollar amount of Federal funds when issuing any documents describing such programs or projects.

Section 639: Provides that none of the funds in the Act may be made available to pay indirect costs on competitive research grants awarded by the Cooperative State Research Service in excess of 14 percent of total direct costs.

Section 640: Provides that funds available to the Animal and Plant Health Inspection Service may be used for contracting with individuals for services to be performed outside the United States to carry out programs and activities abroad.

Comparison with Budget Resolution

Section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, re-

quires that the report accompanying a bill providing new budget authority contains a statement detailing how the authority compares with the reports submitted under section 302 of the Act for the most recently agreed to concurrent resolution on the budget for the fiscal year. This information follows:

[In millions of dollars]

	Sec. 302(b)		This bill	
	Discretionary	Mandatory	Discretionary	Mandatory
Budget authority	10,167	41,002	9,938	40,939
Outlays	9,559	25,382	9,558	24,943
Direct loans	6,281	.....	6,281	.....
Primary guarantees	1,508	.....	1,508	.....

The bill provides no new spending authority as described in section 401(c)(2) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended.

Five-Year Projection of Outlays

In compliance with section 308(a)(1)(C) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, the following table contains five-year projections associated with the budget authority provided in the accompanying bill:

Budget authority	$50,876,679,000
Outlays:	
1991	30,502,233,000
1992	6,756,055,000
1993	460,310,000
1994	164,223,000
1995 and beyond	380,083,000

Tax Expenditures

In accordance with section 308(a)(1)(C) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, the following information was provided to the Committee by the Congressional Budget Office:

> The bill provides no new revenues or tax expenditures, and will have no effect on budget authority, budget outlays, spending authority, revenues, tax expenditures, direct loan obligations, or primary loan guarantee commitments available under existing law for fiscal year 1991 and beyond.

Financial Assistance to State and Local Governments

In accordance with section 308(a)(1)(D) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, the financial assistance to state and local governments is as follows:

New budget authority: $11,914,941,000.

Fiscal year 1991 outlays resulting therefrom: $9,789,325,000.

PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 1991, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177), the following information provides the definition of the term "program, project, and activity" for departments and agencies under the jurisdiction of the Rural Development, Agriculture, and Related Agencies Subcommittee. The term "program, project, and activity" shall include the most specific level of budget items identified in the Rural Development, Agriculture, and Related Agencies Appropriations Act, 1991, the House and Senate Committee reports, and the conference report and accompanying joint explanatory statement of the managers of the committee of conference.

If a Sequestration Order is necessary, in implementing the Presidential Order, departments and agencies shall apply any percentage reduction required for fiscal year 1991 pursuant to the provisions of Public Law 99–177 to all items specified in the explanatory notes submitted to the Committees on Appropriations of the House and Senate in support of the fiscal year 1991 budget estimates, as amended, for such departments and agencies, as modified by congressional action, and in addition:

For the Agricultural Research Service the definition shall include specific research locations as identified in the explanatory notes and lines of research specifically identified in the reports of the House and Senate Appropriations Committees.

For the Soil Conservation Service the definition shall include individual flood prevention projects as identified in the explanatory notes and individual operational watershed projects as summarized in the notes.

For the Farmers Home Administration the definition shall include individual state, district and county offices.

For the Agricultural Stabilization and Conservation Service the definition shall include individual state and county offices.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1990 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1991

Agency and item	New budget (obligational) authority appropriated, 1990 (enacted to date)	Budget estimates of new (obligational) authority, 1991	New budget (obligational) authority recommended in bill	Bill compared with new budget (obligational) authority, 1990	Bill compared with budget estimates of new (obligational) authority, 1991
(1)	(2)	(3)	(4)	(5)	(6)
TITLE I - AGRICULTURAL PROGRAMS					
Production, Processing and Marketing					
Office of the Secretary	1,766,000	1,943,000	1,943,000	+177,000	.....
Farm and export programs plan	395,000	.....	.....	-395,000	.....
Compilation of methods used by foreign countries to protect their domestic agriculture	395,000	.....	.....	-395,000	.....
Office of the Deputy Secretary	392,000	477,000	477,000	+85,000	.....
Office of Budget and Program Analysis	4,522,000	4,971,000	4,971,000	+449,000	.....
Office of the Assistant Secretary for Administration	464,000	544,000	544,000	+80,000	.....
Rental payments (USDA)	49,307,000	49,305,000	49,305,000	-2,000	.....
Building operations and maintenance	22,990,000	25,093,000	25,093,000	+2,103,000	.....
Advisory committees (USDA)	1,494,000	1,407,000	1,407,000	-87,000	.....
Hazardous waste management	19,927,000	29,586,000	24,757,000	+4,830,000	-4,829,000
Departmental administration	22,022,000	23,355,000	23,052,000	+1,030,000	-303,000
Working Capital Fund	.....	3,750,000	3,750,000	+3,750,000	.....
Office of the Assistant Secretary for Congressional Relations	951,000	1,095,000	1,095,000	+144,000	.....

Office of Public Affairs	7,964,000	8,442,000	8,442,000	+478,000	.....
Intergovernmental affairs	479,000	440,000	440,000	-39,000	.....
Total, Office of Public Affairs	8,443,000	8,882,000	8,882,000	+439,000	.....
Office of the Inspector General	51,779,000	57,630,000	55,580,000	+3,801,000	-2,050,000
Office of the General Counsel	21,525,000	23,517,000	23,130,000	+1,605,000	-387,000
Office of the Assistant Secretary for Economics	448,000	529,000	529,000	+81,000	.....
Economic Research Service	50,589,000	56,262,000	54,400,000	+3,811,000	-1,862,000
National Agricultural Statistics Service	66,976,000	81,151,000	76,451,000	+9,475,000	-4,700,000
World Agricultural Outlook Board	1,910,000	2,404,000	2,196,000	+286,000	-208,000
Office of the Assistant Secretary for Science and Education	432,000	512,000	512,000	+80,000	.....
Agricultural Research Service	584,174,000	621,510,000	631,208,000	+47,034,000	+9,698,000
Special fund	1,972,000	2,000,000	2,500,000	+528,000	+500,000
Buildings and facilities	10,675,000	32,600,000	26,039,000	+15,364,000	-6,561,000
Total, Agricultural Research Service	596,821,000	656,110,000	659,747,000	+62,926,000	+3,637,000
Cooperative State Research Service	337,668,000	346,893,000	373,076,000	+35,408,000	+26,183,000
Buildings and facilities	45,108,000	.....	45,361,000	+253,000	+45,361,000
Extension Service	369,180,000	345,676,000	393,877,000	+24,697,000	+48,201,000
National Agricultural Library	14,676,000	15,773,000	16,373,000	+1,697,000	+600,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1990 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1991--Continued

Agency and item	New budget (obligational) authority appropriated, 1990 (enacted to date)	Budget estimates of new (obligational) authority, 1991	New budget (obligational) authority recommended in bill	Bill compared with new budget (obligational) authority, 1990	Bill compared with budget estimates of new (obligational) authority, 1991
(1)	(2)	(3)	(4)	(5)	(6)
Office of the Assistant Secretary for Marketing and Inspection Services	422,000	497,000	497,000	+75,000	.....
Animal and Plant Health Inspection Service:					
Salaries and expenses	355,366,000	367,950,000	380,266,000	+24,900,000	+12,316,000
Buildings and facilities	13,385,000	25,396,000	21,396,000	+8,011,000	-4,000,000
Total, Animal & Plant Health Inspection Service	368,751,000	393,346,000	401,662,000	+32,911,000	+8,316,000
Food Safety and Inspection Service	421,298,000	440,882,000	440,882,000	+19,584,000	.....
Federal Grain Inspection Service	8,185,000	10,443,000	9,706,000	+1,521,000	-737,000
Inspection and Weighing Services (limitation on administrative expenses, from fees collected)	(36,340,000)	(37,164,000)	(37,164,000)	(+824,000)	.....
Agricultural Cooperative Service	4,714,000	4,764,000	4,864,000	+150,000	+100,000
Agricultural Marketing Service:					
Marketing Services	33,171,000	52,251,000	47,914,000	+14,743,000	-4,337,000
(Limitation on administrative expenses, from fees collected)	(37,440,000)	(40,162,000)	(40,162,000)	(+2,722,000)	.....
Funds for strengthening markets, income, and supply (transfer from section 32)	8,007,000	8,526,000	8,255,000	+248,000	-271,000
Sunflower and cottonseed oil export program	(30,000,000)	.....	.....	(-30,000,000)	.....

Payments to States and possessions	1,236,000	942,000	1,250,000	+14,000	+308,000
Total, Agricultural Marketing Service	42,414,000	61,719,000	57,419,000	+15,005,000	-4,300,000
Office of Transportation	2,397,000	2,429,000	2,429,000	+32,000	.....
Packers and Stockyards Administration	9,562,000	10,687,000	10,687,000	+1,125,000	.....
Total, Production, Processing and Marketing	2,547,923,000	2,661,632,000	2,774,654,000	+226,731,000	+113,022,000
Farm Income Stabilization					
Office of the Under Secretary for International Affairs and Commodity Programs	414,000	506,000	506,000	+92,000	.....
Agricultural Stabilization and Conservation Service:					
(By transfer from Commodity Credit Corporation)	(623,732,000)	(630,406,000)	(630,406,000)	(+6,674,000)	.....
Salaries and expenses	11,000,000	.....	.....	-11,000,000	.....
Dairy indemnity program	5,000	.....	5,000	.....	+5,000
Total, Farm Income Stabilization	(635,151,000)	(630,912,000)	(630,917,000)	(-4,234,000)	(+5,000)
CORPORATIONS					
Federal Crop Insurance Corporation:					
Administrative and operating expenses	237,694,000	314,429,000	101,579,000	-136,115,000	-212,850,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1990 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1991--Continued

Agency and item	New budget (obligational) authority appropriated, 1990 (enacted to date)	Budget estimates of new (obligational) authority, 1991	New budget (obligational) authority recommended in bill	Bill compared with new budget (obligational) authority, 1990	Bill compared with budget estimates of new (obligational) authority, 1991
(1)	(2)	(3)	(4)	(5)	(6)
Federal crop insurance corporation fund	162,939,000	286,693,000	162,939,000	.....	-123,754,000
Total, Federal Crop Insurance Corporation	400,633,000	601,122,000	264,518,000	-136,115,000	-336,604,000
Commodity Credit Corporation:					
Reimbursement for net realized losses	4,233,000,000	6,100,000,000	5,000,000,000	+767,000,000	-1,100,000,000
Short-term export credit (loan authorization)	(5,000,000,000)	(5,000,000,000)	(5,000,000,000)	.....	.....
Intermediate export credit (loan authorization)	(500,000,000)	(500,000,000)	(500,000,000)	.....	.....
General Sales Manager (transfer from Commodity Credit Corporation)	(7,415,000)	(8,090,000)	(7,803,000)	(+388,000)	(-287,000)
Total, Corporations:					
New budget (obligational) authority	4,633,633,000	6,701,122,000	5,264,518,000	+630,885,000	-1,436,604,000
(By transfer)	(7,415,000)	(8,090,000)	(7,803,000)	(+388,000)	(-287,000)
(Loan authorization)	(5,500,000,000)	(5,500,000,000)	(5,500,000,000)	.....	.....
Total, title I, Agricultural Programs:					
New budget (obligational) authority	7,192,975,000	9,363,260,000	8,039,683,000	+846,708,000	-1,323,577,000
(By transfer)	(661,147,000)	(638,496,000)	(638,209,000)	(-22,938,000)	(-287,000)
(Limitation on administrative expenses)	(73,780,000)	(77,326,000)	(77,326,000)	(+3,546,000)	.....
(Loan authorization)	(5,500,000,000)	(5,500,000,000)	(5,500,000,000)	.....	.....

TITLE II - RURAL DEVELOPMENT PROGRAMS					
Rural Development Assistance					
Office of the Under Secretary for Small Community and Rural Development	419,000	660,000	530,000	+111,000	-130,000
Farmers Home Administration:					
Rural Housing Insurance Fund:					
Low-income housing (sec. 502)	(1,261,496,000)	(589,000,000)	(1,262,210,000)	(+714,000)	(+673,210,000)
Unsubsidized direct	(49,308,000)	(20,000,000)	(50,000,000)	(+692,000)	(+30,000,000)
Unsubsidized guaranteed	.....	(297,000,000)	.....	.....	(-297,000,000)
Subsidized guaranteed	.....	(297,000,000)	(100,000,000)	(+100,000,000)	(-197,000,000)
Housing repair (sec. 504)	(11,173,000)	(11,100,000)	(11,330,000)	(+157,000)	(+230,000)
Farm labor (sec. 514)	(11,321,000)	(16,300,000)	(16,300,000)	(+4,979,000)	.....
Rental housing (sec. 515)	(571,870,000)	(391,000,000)	(573,900,000)	(+2,030,000)	(+182,900,000)
Site loans (loan authorization)	(562,000)	.....	(600,000)	(+38,000)	(+600,000)
Subtotal (loan authorization)	(1,905,730,000)	(1,621,400,000)	(2,014,340,000)	(+108,610,000)	(+392,940,000)
Collection and servicing contracts (limitation on obligations)	(10,000,000)	(10,000,000)	(10,000,000)	.....	.....
Rent supplement	296,317,000	258,000,000	308,100,000	+11,783,000	+50,100,000
Reimbursement for interest and other losses	2,677,897,000	2,667,186,000	2,167,186,000	-510,711,000	-500,000,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1990 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1991--Continued

Agency and item	New budget (obligational) authority appropriated, 1990 (enacted to date)	Budget estimates of new (obligational) authority, 1991	New budget (obligational) authority recommended in bill	Bill compared with new budget (obligational) authority, 1990	Bill compared with budget estimates of new (obligational) authority, 1991
(1)	(2)	(3)	(4)	(5)	(6)
Interest subsidy for guaranteed loans	.....	362,460,000	.....	.....	-362,460,000
Total, Rural Housing Insurance Fund:					
New budget (obligational) authority	2,974,214,000	3,287,646,000	2,475,286,000	-498,928,000	-812,360,000
(Loan authorization)	(1,905,730,000)	(1,621,400,000)	(2,014,340,000)	(+108,610,000)	(+392,940,000)
(Limitation on obligations)	(10,000,000)	(10,000,000)	(10,000,000)	.....	.....
Self-help Housing Land Development Fund (loan authorization)	(500,000)	.....	(500,000)	.....	(+500,000)
Agricultural Credit Insurance Fund:					
Farm ownership loans (loan authorization):					
Insured	(80,000,000)	(38,500,000)	(66,500,000)	(-13,500,000)	(+28,000,000)
Advance appropriation, FY 1991	.....	.....	(13,500,000)	(+13,500,000)	(+13,500,000)
Guaranteed	(469,279,000)	(150,000,000)	(475,500,000)	(+6,221,000)	(+325,500,000)
Total, farm ownership loans (loan authorization)	(549,279,000)	(188,500,000)	(542,000,000)	(-7,279,000)	(+353,500,000)
Soil and water loans (loan authorization):					
Insured	(5,500,000)	.....	(5,500,000)	.....	(+5,500,000)

Guaranteed	(1,480,000)	.....	(1,500,000)	(+20,000)	(+1,500,000)
Total, soil and water loans (loan authorization)	(6,980,000)	.....	(7,000,000)	(+20,000)	(+7,000,000)
Operating loans (loan authorization):					
Insured	(900,000,000)	(500,000,000)	(950,000,000)	(+50,000,000)	(+450,000,000)
Guaranteed	(2,565,985,000)	(2,600,000,000)	(2,600,000,000)	(+34,015,000)	.....
Total, operating loans (loan authorization)	(3,465,985,000)	(3,100,000,000)	(3,550,000,000)	(+84,015,000)	(+450,000,000)
Indian tribe land acquisition loans (loan authorization)	(1,000,000)	.....	(1,000,000)	.....	(+1,000,000)
Emergency disaster loans (loan authorization)	(579,136,000)	(25,000,000)	(600,000,000)	(+20,864,000)	(+575,000,000)
Watershed and flood prevention (loan authorization)	(4,000,000)	.....	(4,000,000)	.....	(+4,000,000)
Resource conservation loans (loan authorization)	(600,000)	.....	(600,000)	.....	(+600,000)
State mediation program	3,456,000	2,000,000	3,500,000	+44,000	+1,500,000
Reimbursement for interest and other losses	4,120,159,000	6,014,356,000	5,620,159,000	+1,500,000,000	-394,197,000
Interest subsidy for guaranteed loans	.....	33,227,000	.....	.....	-33,227,000
Total, Agricultural Credit Insurance Fund:					
New budget (obligational) authority	4,123,615,000	6,049,583,000	5,623,659,000	+1,500,044,000	-425,924,000
(Loan authorization)	(4,606,980,000)	(3,313,500,000)	(4,704,600,000)	(+97,620,000)	(+1,391,100,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1990 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1991--Continued

Agency and item	New budget (obligational) authority appropriated, 1990 (enacted to date)	Budget estimates of new (obligational) authority, , 1991	New budget (obligational) authority recommended in bill	Bill compared with new budget (obligational) authority, 1990	Bill compared with budget estimates of new (obligational) authority, 1991
(1)	(2)	(3)	(4)	(5)	(6)
Rural Development Insurance Fund:					
Water and sewer facility loans (loan authorization):					
Direct	(350,293,000)	(300,000,000)	(500,000,000)	(+149,707,000)	(+200,000,000)
Guaranteed	(74,465,000)	(50,000,000)	(35,000,000)	(-39,465,000)	(-15,000,000)
Total, water and sewer facility loans (loan authorization)	(424,758,000)	(350,000,000)	(535,000,000)	(+110,242,000)	(+185,000,000)
Industrial development loans (loan authorization):					
Guaranteed	(95,018,000)	.....	(100,000,000)	(+4,982,000)	(+100,000,000)
Community facility loans (loan authorization):					
Direct	(94,381,000)	(45,700,000)	(100,000,000)	(+5,619,000)	(+54,300,000)
Guaranteed	(23,829,000)	(50,000,000)	(25,000,000)	(+1,171,000)	(-25,000,000)
Total, community facility loans (loan authorization)	(118,210,000)	(95,700,000)	(125,000,000)	(+6,790,000)	(+29,300,000)

Reimbursement for interest and other losses	1,474,499,000	1,666,160,000	1,466,160,000	-8,339,000	-200,000,000
Total, Rural Development Insurance Fund:					
New budget (obligational) authority	1,474,499,000	1,666,160,000	1,466,160,000	-8,339,000	-200,000,000
(Loan authorization)	(637,986,000)	(445,700,000)	(760,000,000)	(+122,014,000)	(+314,300,000)
Rural Development Loan Fund:					
(Loan authorization)	(19,297,000)	(30,000,000)	(25,000,000)	(+5,703,000)	(-5,000,000)
Appropriation	17,318,000	28,000,000	23,000,000	+5,682,000	-5,000,000
Rural water and waste disposal grants	207,700,000	100,000,000	300,000,000	+92,300,000	+200,000,000
Very low-income housing repair grants	12,500,000	10,000,000	12,500,000	.....	+2,500,000
Rural housing for domestic farm labor	10,862,000	10,000,000	11,000,000	+138,000	+1,000,000
Mutual and self-help housing	8,634,000	.....	8,750,000	+116,000	+8,750,000
Rural community fire protection grants	3,091,000	.....	3,500,000	+409,000	+3,500,000
Compensation for construction defects	500,000	.....	500,000	.....	+500,000
Rural rental assistance payments (voucher program)	.....	189,928,000	.....	.....	-189,928,000
Rural housing preservation grants	19,140,000	15,000,000	23,000,000	+3,860,000	+8,000,000
Rural development grants	16,406,000	.....	16,500,000	+94,000	+16,500,000
Office of the Administrator	600,000	.....	600,000	.....	+600,000
Salaries and expenses	422,934,000	447,787,000	439,854,000	+16,920,000	-7,933,000
(Transfer from loan accounts)	(4,000,000)	(4,000,000)	(4,000,000)	.....	.....
Total, salaries and expenses	(426,934,000)	(451,787,000)	(443,854,000)	(+16,920,000)	(-7,933,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1990 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1991--Continued

Agency and item	New budget (obligational) authority appropriated, 1990 (enacted to date)	Budget estimates of new (obligational) authority, 1991	New budget (obligational) authority recommended in bill	Bill compared with new budget (obligational) authority, 1990	Bill compared with budget estimates of new (obligational) authority, 1991
(1)	(2)	(3)	(4)	(5)	(6)
Total, Farmers Home Administration:					
New budget (obligational) authority	9,292,013,000	11,804,104,000	10,404,309,000	+1,112,296,000	-1,399,795,000
(By transfer)	(4,000,000)	(4,000,000)	(4,000,000)	.....	.....
(Loan authorization)	(7,170,493,000)	(5,410,600,000)	(7,504,440,000)	(+333,947,000)	(+2,093,840,000)
(Limitation on obligations)	(10,000,000)	(10,000,000)	(10,000,000)	.....	.....
Rural Electrification Administration:					
Rural electrification & telephone revolving fund:					
Insured loans:					
Electric	(622,050,000)	(200,000,000)	(622,050,000)	.....	(+422,050,000)
Telephone	(239,250,000)	.....	(239,250,000)	.....	(+239,250,000)
Total, insured loans (loan authorization)	(861,300,000)	(200,000,000)	(861,300,000)	.....	(+661,300,000)
Guaranteed loans:					
Electric	(813,450,000)	.....	(813,450,000)	.....	(+813,450,000)
Telephone	(119,625,000)	.....	(119,625,000)	.....	(+119,625,000)
Total, guaranteed loans (loan authorization)	(933,075,000)	.....	(933,075,000)	.....	(+933,075,000)

Reimbursement to the rural electrification and telephone revolving fund	240,757,000	.....	266,603,000	+25,846,000	+266,603,000
Total, Rural electrification and telephone revolving fund:					
New budget (obligational) authority	240,757,000	.....	266,603,000	+25,846,000	+266,603,000
(Loan authorization)	(1,794,375,000)	(200,000,000)	(1,794,375,000)	.....	(+1,594,375,000)
Rural telephone bank	28,710,000	.....	28,710,000	.....	+28,710,000
Direct loans (limitation on obligations)	(177,045,000)	(125,000,000)	(177,045,000)	.....	(+52,045,000)
Rural communication development fund	1,329,000	1,264,000	1,264,000	-65,000	.....
Rural economic development subaccount	4,992,000	.....	5,000,000	+8,000	+5,000,000
Office of the Administrator	194,000	.....	229,000	+35,000	+229,000
Salaries and expenses	31,124,000	33,055,000	32,826,000	+1,702,000	-229,000
Total, Rural Electrification Administration:					
New budget (obligational) authority	307,106,000	34,319,000	334,632,000	+27,526,000	+300,313,000
(Loan authorization)	(1,794,375,000)	(200,000,000)	(1,794,375,000)	.....	(+1,594,375,000)
(Limitation on obligations)	(177,045,000)	(125,000,000)	(177,045,000)	.....	(+52,045,000)
Total, Rural Development Assistance:					
New budget (obligational) authority	9,599,538,000	11,839,083,000	10,739,471,000	+1,139,933,000	-1,099,612,000
(By transfer)	(4,000,000)	(4,000,000)	(4,000,000)	.....	.....
(Loan authorization)	(8,964,868,000)	(5,6'0,600,000)	(9,298,815,000)	(+333,947,000)	(+3,688,215,000)
(Limitation on obligations)	(187,045,000)	(135,000,000)	(187,045,000)	.....	(+52,045,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1990 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1991--Continued

Agency and item	New budget (obligational) authority appropriated, 1990 (enacted to date)	Budget estimates of new (obligational) authority, 1991	New budget (obligational) authority recommended in bill	Bill compared with new budget (obligational) authority, 1990	Bill compared with budget estimates of new (obligational) authority, 1991
(1)	(2)	(3)	(4)	(5)	(6)
Conservation					
Office of the Assistant Secretary for Natural Resources and Environment	439,000	538,000	520,000	+81,000	-18,000
Soil Conservation Service:					
Conservation operations	476,949,000	506,998,000	509,056,000	+32,107,000	+2,058,000
River basin surveys and investigations	12,292,000	10,351,000	12,783,000	+491,000	+2,432,000
Watershed planning	8,824,000	6,875,000	9,176,000	+352,000	+2,301,000
Watershed and flood prevention operations	239,867,000	151,112,000	191,544,000	-48,323,000	+40,432,000
Resource conservation and development	27,255,000	24,862,000	29,900,000	+2,645,000	+5,038,000
Great Plains conservation program	20,884,000	24,637,000	24,637,000	+3,753,000	.....
Total, Soil Conservation Service	786,071,000	724,835,000	777,096,000	-8,975,000	+52,261,000
Agricultural Stabilization and Conservation Service:					
Agricultural conservation program	182,369,000	176,000,000	197,935,000	+15,566,000	+21,935,000
Forestry incentives program	12,446,000	12,446,000	12,446,000	.....	.....
Water bank program	12,240,000	10,498,000	10,498,000	-1,742,000	.....
Emergency conservation program	29,927,000	.....	10,000,000	-19,927,000	+10,000,000
Colorado River Basin salinity control program	10,341,000	14,783,000	14,783,000	+4,442,000	.....

Conservation reserve program	1,010,978,000	1,878,038,000	1,314,926,000	+303,948,000	-563,112,000
Total, Agricultural Stabilization and Conservation Service	1,258,301,000	2,091,765,000	1,560,588,000	+302,287,000	-531,177,000
Total, Conservation	2,044,811,000	2,817,138,000	2,338,204,000	+293,393,000	-478,934,000
Total, title II, Rural Development Programs:					
New budget (obligational) authority	11,644,349,000	14,656,221,000	13,077,675,000	+1,433,326,000	-1,578,546,000
(By transfer)	(4,000,000)	(4,000,000)	(4,000,000)	.....	.....
(Loan authorization)	(8,964,868,000)	(5,610,600,000)	(9,298,815,000)	(+333,947,000)	(+3,688,215,000)
(Limitation on obligations)	(187,045,000)	(135,000,000)	(187,045,000)	.....	(+52,045,000)
TITLE III - DOMESTIC FOOD PROGRAMS					
Office of the Assistant Secretary for Food and Consumer Services	407,000	485,000	485,000	+78,000	.....
Food and Nutrition Service:					
Child nutrition programs	730,882,000	473,575,000	569,038,000	-161,844,000	+95,463,000
Transfer from section 32	4,156,554,000	4,632,259,000	4,696,501,000	+539,947,000	+64,242,000
Total, Child nutrition programs	4,887,436,000	5,105,834,000	5,265,539,000	+378,103,000	+159,705,000
Special milk program	20,309,000	19,268,000	19,268,000	-1,041,000	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1990 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1991--Continued

Agency and item	New budget (obligational) authority appropriated, 1990 (enacted to date)	Budget estimates of new (obligational) authority, 1991	New budget (obligational) authority recommended in bill	Bill compared with new budget (obligational) authority, 1990	Bill compared with budget estimates of new (obligational) authority, 1991
(1)	(2)	(3)	(4)	(5)	(6)
Special supplemental food program for women, infants, and children (WIC)	2,125,958,000	2,215,248,000	2,325,000,000	+199,042,000	+109,752,000
WIC reserve	.....	.....	25,000,000	+25,000,000	+25,000,000
Commodity supplemental food program 2/	68,128,000	62,932,000	81,928,000	+13,800,000	+18,996,000
Food stamp program:					
Expenses	15,969,589,000	15,976,681,000	15,976,681,000	+7,092,000	.....
Subject to budget request	.....	.....	2,100,000,000	+2,100,000,000	+2,100,000,000
Nutrition assistance for Puerto Rico 1/	925,925,000	825,000,000	951,300,000	+25,375,000	+126,300,000
Cattle tick eradicati...	10,825,000	.....	10,825,000	.....	+10,825,000
Total, Food stamp program	16,906,339,000	16,801,681,000	19,038,806,000	+2,132,467,000	+2,237,125,000
Food donations programs for selected groups:					
Needy family program 2/	60,140,000	74,841,000	78,241,000	+18,101,000	+3,400,000
Elderly feeding program 2/	143,482,000	149,897,000	149,897,000	+6,415,000	.....
Subtotal	203,622,000	224,738,000	228,138,000	+24,516,000	+3,400,000
Soup kitchens	39,440,000	32,000,000	32,000,000	-7,440,000	.....
Total, Food donations programs	243,062,000	256,738,000	260,138,000	+17,076,000	+3,400,000

Temporary emergency food assistance program	49,822,000	50,000,000	50,000,000	+178,000	.....
Commodity purchases - TEFAP	119,573,000	120,000,000	120,000,000	+427,000	.....
Total, Temporary emergency food assistance program	169,395,000	170,000,000	170,000,000	+605,000	.....
Food program administration	91,727,000	96,778,000	96,778,000	+5,051,000	.....
Total, Food and Nutrition Service	24,512,354,000	24,728,479,000	27,282,457,000	+2,770,103,000	+2,553,978,000
Human Nutrition Information Service	9,031,000	10,705,000	9,923,000	+892,000	-782,000
Total, title III, Domestic Food Programs, new budget (obligational) authority	24,521,792,000	24,739,669,000	27,292,865,000	+2,771,073,000	+2,553,196,000
TITLE IV - INTERNATIONAL PROGRAMS					
Foreign Agricultural Service	101,146,000	103,548,000	105,048,000	+3,902,000	+1,500,000
Agricultural trade missions	197,000	.....	.....	-197,000	.....
Ameri Flora Exposition	.....	.....	500,000	+500,000	+500,000

1/ FY91 Administration proposes a new account for Puerto Rico special assistance within HHS.
2/ FY91 Administration proposes to consolidate into a single account.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1990 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1991--Continued

Agency and item	New budget (obligational) authority appropriated, 1990 (enacted to date)	Budget estimates of new (obligational) authority, 1991	New budget (obligational) authority recommended in bill	Bill compared with new budget (obligational) authority, 1990	Bill compared with budget estimates of new (obligational) authority, 1991
(1)	(2)	(3)	(4)	(5)	(6)
Public Law 480:					
Title I and III - Credit sales:					
Program level	(848,963,000)	(817,000,000)	(880,000,000)	(+31,037,000)	(+63,000,000)
Direct loans	(778,996,000)	(752,400,000)	(806,400,000)	(+27,404,000)	(+54,000,000)
Ocean freight differential	(69,967,000)	(64,600,000)	(73,600,000)	(+3,633,000)	(+9,000,000)
Appropriation	305,622,000	251,853,000	314,853,000	+9,231,000	+63,000,000
Title II - Commodities for disposition abroad:					
Program level	(672,599,000)	(646,000,000)	(696,000,000)	(+23,401,000)	(+50,000,000)
Appropriation	672,599,000	646,000,000	696,000,000	+23,401,000	+50,000,000
Total, Public Law 480:					
Program level	(1,521,562,000)	(1,463,000,000)	(1,576,000,000)	(+54,438,000)	(+113,000,000)
Appropriation	978,221,000	897,853,000	1,010,853,000	+32,632,000	+113,000,000
Office of International Cooperation and Development	6,041,000	4,893,000	5,268,000	-773,000	+375,000
Scientific activities overseas (foreign currency program)	875,000	.....	875,000	.....	+875,000
Total, title IV, International Programs, new budget (obligational) authority	1,086,480,000	1,006,294,000	1,122,544,000	+36,064,000	+116,250,000

TITLE V - RELATED AGENCIES					
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Food and Drug Administraion					
Salaries and expenses 3/	567,079,000	497,633,000	497,633,000	-69,446,000	.....
Subject to budget request	.....	.....	157,175,000	+157,175,000	+157,175,000
Total, salaries and expenses	567,079,000	497,633,000	654,808,000	+87,729,000	+157,175,000
Buildings and facilities 3/	8,350,000	4,752,000	8,350,000	.....	+3,598,000
Rental payments (FDA) 3/	25,612,000	25,612,000	25,612,000	.....	.....
Total, Food and Drug Administration	601,041,000	527,997,000	688,770,000	+87,729,000	+160,773,000
DEPARTMENT OF THE TREASURY					
Financial Management Service:					
Payments to the farm credit system financial assistance corporation	90,000,000	99,330,000	90,000,000	.....	-9,330,000
3/ FY91 Administration proposes to consolidate into a single account.					

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1990 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1991--Continued

Agency and item	New budget (obligational) authority appropriated, 1990 (enacted to date)	Budget estimates of new (obligational) authority, 1991	New budget (obligational) authority recommended in bill	Bill compared with new budget (obligational) authority, 1990	Bill compared with budget estimates of new (obligational) authority, 1991
(1)	(2)	(3)	(4)	(5)	(6)
Farm Credit System Assistance Board (limitation on administrative expenses)	(2,206,000)	(2,184,000)	(2,017,000)	(-189,000)	(-167,000)
INDEPENDENT AGENCIES					
Commodity Futures Trading Commission	39,186,000	44,960,000	39,691,000	+505,000	-5,269,000
Farm Credit Administration (limitation on administrative expenses)	(36,120,000)	(41,548,000)	(41,548,000)	(+5,428,000)	.....
Total, title V, Related Agencies:					
New budget (obligational) authority	730,227,000	672,287,000	818,461,000	+88,234,000	+146,174,000
(Limitation on administrative expenses)	(38,326,000)	(43,732,000)	(43,565,000)	(+5,239,000)	(-167,000)
RECAPITULATION					
Grand Total:					
New budget (obligational) authority	45,175,823,000	50,437,731,000	50,351,228,000	+5,175,405,000	-86,503,000
(By transfer)	(665,147,000)	(642,496,000)	(642,209,000)	(-22,938,000)	(-287,000)
(Loan authorization)	(14,464,868,000)	(11,110,600,000)	(14,798,815,000)	(+333,947,000)	(+3,688,215,000)
(Limitation on administrative expenses)	(112,106,000)	(121,058,000)	(120,891,000)	(+8,785,000)	(-167,000)
(Limitation on obligations)	(187,045,000)	(135,000,000)	(187,045,000)	.....	(+52,045,000)

Title I - Agricultural programs	7,192,975,000	9,363,260,000	8,039,683,000	+846,708,000	-1,323,577,000
Title II - Rural development programs	11,644,349,000	14,656,221,000	13,077,675,000	+1,433,326,000	-1,578,546,000
Title III - Domestic food programs	24,521,792,000	24,739,669,000	27,292,865,000	+2,771,073,000	+2,553,196,000
Title IV - International programs	1,086,480,000	1,006,294,000	1,122,544,000	+36,064,000	+116,250,000
Title V - Related agencies	730,227,000	672,287,000	818,461,000	+88,234,000	+146,174,000
Total, new budget (obligational) authority	45,175,823,000	50,437,731,000	50,351,228,000	+5,175,405,000	-86,503,000
Memoranda:					
Direct and insured loan level	5,000,830,000	2,291,600,000	5,227,795,000	+226,965,000	+2,936,195,000
Guaranteed loan level	4,251,882,000	2,885,000,000	4,297,120,000	+45,238,000	+1,412,120,000
Transfers from Commodity Credit Corporation	623,732,000	630,406,000	630,406,000	+6,674,000	.....

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